

**AGENDA OF A REGULAR MEETING - NATIONAL CITY CITY COUNCIL/  
COMMUNITY DEVELOPMENT COMMISSION – HOUSING AUTHORITY OF  
THE CITY OF NATIONAL CITY**



**COUNCIL CHAMBERS  
CIVIC CENTER  
1243 NATIONAL CITY BOULEVARD  
NATIONAL CITY, CALIFORNIA  
TUESDAY, MARCH 6, 2018 – 6:00 PM**

**RON MORRISON**  
*Mayor*

**ALBERT MENDIVIL**  
*Vice Mayor*

**JERRY CANO**  
*Councilmember*

**MONA RIOS**  
*Councilmember*

**ALEJANDRA SOTELO-SOLIS**  
*Councilmember*

**ORDER OF BUSINESS:** Public sessions of all Regular Meetings of the City Council / Community Development Commission - Housing Authority (hereafter referred to as Elected Body) begin at 6:00 p.m. on the first and third Tuesday of each month. Public Hearings begin at 6:00 p.m. unless otherwise noted. Closed Sessions begin at 5:00 p.m. or such other time as noted. If a workshop is scheduled, the subject and time of the workshop will appear on the agenda. The Mayor and Council members also sit as the Chairperson and Members of the Board of the Community Development Commission (CDC).

**REPORTS:** All open session agenda items and reports as well as all documents and writings distributed to the Elected Body less than 72 hours prior to the meeting, are available for review at the entry to the Council Chambers. Regular Meetings of the Elected Body are webcast and archived on the City's website [www.nationalcityca.gov](http://www.nationalcityca.gov).

**PUBLIC COMMENTS:** Prior to the Business portion of the agenda, the Elected Body will receive public comments regarding any matters within the jurisdiction of the City and/or the Community Development Commission. Members of the public may also address any item on the agenda at the time the item is considered by the Elected Body. Persons who wish to address the Elected Body are requested to fill out a "Request to Speak" form available at the entrance to the City Council Chambers, and turn in the completed form to the City Clerk. The Mayor or Chairperson will separately call for testimony of those persons who have turned in a "Request to Speak" form. If you wish to speak, please step to the podium at the appropriate time and state your name and address (optional) for the record. The time limit established for public testimony is three minutes per speaker unless a different time limit is announced. Speakers are encouraged to be brief. The Mayor or Chairperson may limit the length of comments due to the number of persons wishing to speak or if comments become repetitious or irrelevant.

**WRITTEN AGENDA:** With limited exceptions, the Elected Body may take action only upon items appearing on the written agenda. Items not appearing on the agenda must be brought back on a subsequent agenda unless they are of a demonstrated emergency or urgent nature, and the need to take action on such items arose after the agenda was posted.

**CONSENT CALENDAR:** Consent calendar items involve matters which are of a routine or noncontroversial nature. All consent items are adopted by approval of a single motion by the City Council. Prior to such approval, any item may be removed from the consent portion of

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the agenda and separately considered upon request of a Councilmember, a staff member, or a member of the public.

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*Spanish audio interpretation is provided during Elected Body Meetings. Audio headphones are available in the lobby at the beginning of the meeting.*

*Audio interpretación en español se proporciona durante sesiones del Consejo Municipal. Los audífonos están disponibles en el pasillo al principio de la junta.*

*Spanish to English interpretation services are available to members of the public who wish to speak to the City Council during the meeting. "Request to Speak" forms requesting interpretation must be filed within the first two hours of the meeting.*

*Español a los servicios de interpretación Inglés de audio está disponibles para los miembros del público que desean hablar con el Ayuntamiento durante del Consejo Municipal. "Solicitud para hablar de" formas solicitud de interpretación deben ser presentadas dentro de las dos primeras horas del Consejo Municipal.*

**COUNCIL REQUESTS THAT ALL CELL PHONES AND PAGERS BE TURNED OFF DURING CITY COUNCIL MEETINGS.**



**OPEN TO THE PUBLIC**

**A. CITY COUNCIL**

**CALL TO ORDER**

**ROLL CALL**

**PLEDGE OF ALLEGIANCE TO THE FLAG**

**PUBLIC COMMENTS (THREE-MINUTE TIME LIMIT)**

**PROCLAMATIONS**

**AWARDS AND RECOGNITIONS**

**PRESENTATIONS**

1. [Presentation on Smart Parking Solutions \(IPS Group\).  
\(Engineering/Public Works\)](#)

**INTERVIEWS / APPOINTMENTS**

**CONSENT CALENDAR**

2. [Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances considered at this meeting and providing that such Ordinances shall be introduced and/or adopted after a reading of the title only. \(City Clerk\)](#)
3. [Approval of the Minutes of the Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City of October 17, 2017 and Special Meetings of August 15, 2017 and October 17, 2017. \(City Clerk\)](#)
4. [Resolution of the City Council of the City of National City authorizing the Mayor to execute an Agreement between the City of San Diego Office of Homeland Security and the City of National City, and authorizing the establishment of an appropriation and corresponding revenue budget in the amount of \\$76,134 from the FY17 Urban Area Security Initiative \(UASI\) Grant Funds for the reimbursable grant purchase of equipment, planning, and training for the Police and Fire Departments. \(Fire\)](#)
5. [Resolution of the City Council of the City of National City accepting and authorizing the Mayor to sign an Encroachment Permit and Agreement with Germiniano F. Tubao to install an exterior patio with fence and](#)

awnings within the public right-of-way on "A" Avenue as part of tenant improvements to the existing commercial building located at 41 E. 8th Street (APN 556-331-20 and 556-331-21). (Engineering/Public Works)

6. Temporary Use Permit – National Day of Prayer sponsored by First Christian Church of National City at Kimball Park Bowl on May 3, 2018 with no waiver of fees. (Neighborhood Services)
7. Temporary Use Permit — St. Anthony of Padua Church presentation of the “Live Stations of the Cross” starting at 410 W. 18th Street on March 30, 2018 from 3 p.m. to 4 p.m. with no waiver of fees. (Neighborhood Services)
8. Warrant Register #30 for the period of 01/17/18 through 01/23/18 in the amount of \$807,494.69. (Finance)
9. Warrant Register #31 for the period of 01/24/18 through 01/30/18 in the amount of \$2,170,166.64. (Finance)

## **PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS**

### **NON CONSENT RESOLUTIONS**

10. Resolution of the City Council of the City of National City ratifying the Purchase and Sale Agreement executed on February 7, 2018; authorizing the purchase of real property located at 302 W. 19th Street from Frank Safely for a total sales price of \$905,000 and the payment of closing costs not to exceed \$4,000; and authorizing the establishment of an appropriation not-to-exceed \$909,000 based on the available fund balance of the Sewer Service Fund. (Housing & Economic Development)
11. Resolution of the City Council of the City of National City approving an amendment to the Fiscal Year 2018 salary schedule for the Executive employee group to reflect the City Managers salary adjustment to \$18,656 per month, effective January 27, 2018 consistent with the terms of her City Council approved employment contract. (Human Resources)

### **NEW BUSINESS**

#### **B. COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY**

#### **CONSENT RESOLUTIONS - HOUSING AUTHORITY**

#### **PUBLIC HEARINGS: RESOLUTIONS - HOUSING AUTHORITY**

#### **NON CONSENT RESOLUTIONS - HOUSING AUTHORITY**

#### **NEW BUSINESS - HOUSING AUTHORITY**

## **C. REPORTS**

### **STAFF REPORTS**

12. [2017 Annual Progress Report on the implementation of the Housing Element of the General Plan pursuant to California Government Code Section 65400\(a\)\(2\). \(Planning\)](#)

### **MAYOR AND CITY COUNCIL**

### **CLOSED SESSION REPORT**

### **ADJOURNMENT**

Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday - March 20, 2018 - 6:00 p.m. - Council Chambers - National City, California.

Budget Schedule - FY 2019

Tuesday, May 8, 2018, 5:00 p.m. - Budget Workshop / Preliminary Budget Presentation

Tuesday, May 29, 2018, 5:00 p.m. - Budget Workshop

Tuesday, June 12, 2018, 6:00 p.m. - Budget Hearing / Adoption

Upcoming Workshops and Special Meetings

Monday, March 26, 4:00 p.m. - Special Meeting on Housing

Tuesday, April 3, 4:00 p.m. - CIP Needs Assessment Workshop

The following page(s) contain the backup material for Agenda Item: Presentation on Smart Parking Solutions (IPS Group). (Engineering/Public Works)

Item \_\_\_\_\_

3/6/2018

## PRESENTATION ON SMART PARKING SOLUTIONS

(IPS GROUP)

(ENGINEERING/PUBLIC WORKS)

The following page(s) contain the backup material for Agenda Item: Motion of the City Council of the City of National City approving the waiving of the reading of the text of the Ordinances considered at this meeting and providing that such Ordinances shall be introduced and/or adopted after a reading of the title only. (City Clerk)

Item # \_\_\_\_  
03/06/18

**MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL  
CITY APPROVING THE WAIVING OF THE READING OF THE  
TEXT OF THE ORDINANCES CONSIDERED AT THIS MEETING  
AND PROVIDING THAT SUCH ORDINANCES SHALL BE  
INTRODUCED AND/OR ADOPTED AFTER A READING  
OF THE TITLE ONLY.**

(City Clerk)

The following page(s) contain the backup material for Agenda Item: Approval of the Minutes of the Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City of October 17, 2017 and Special Meetings of August 15, 2017 and October 17, 2017. (City Clerk)



Item # \_\_\_\_\_

03/06/18

**APPROVAL OF THE MINUTES OF THE REGULAR  
MEETING OF THE CITY COUNCIL AND COMMUNITY  
DEVELOPMENT COMMISSION – HOUSING AUTHORITY  
OF THE CITY OF NATIONAL CITY OF OCTOBER 17, 2017  
AND SPECIAL MEETINGS OF AUGUST 15, 2017 AND  
OCTOBER 17, 2017.**

(City Clerk)

**DRAFT      DRAFT      DRAFT**  
**MINUTES OF THE SPECIAL MEETING OF THE  
CITY COUNCIL OF THE CITY OF NATIONAL CITY**

**August 15, 2017**

The Special Meeting of the City Council of the City of National City was called to order at 5:02 p.m. by Mayor / Chairman Ron Morrison.

**ROLL CALL**

Council / Board members present: Cano, Mendivil, Morrison, Rios.

Council / Board members absent: Sotelo-Solis.

Administrative Officials present: Dalla, Deese, Morris-Jones, Raulston, Stevenson.

**PUBLIC COMMENTS** – None.

Members retired into Closed Session at 5:02 p.m.

**CLOSED SESSION**

**CITY COUNCIL**

1. Real Property Transaction – Government Code Section 54956.8  
Property Description: Lot 19- 22 of Block 109 of the City of National City commonly known as 302 West 19th Street. Total property size is 11,772 sq.ft. or 0.27 acres.  
Assessor Parcel Nos: 559-104-05-00; 559-104-11-00; 559-104-14-00; 559-104-15-00  
Agency Negotiator: Brad Raulston and Gregory Rose  
Negotiating Parties: Frank C. Safley Jr. & Deborah Safley  
Under Negotiation: Price and terms of payment
2. Conference with Legal Counsel – Pending Litigation  
Existing Litigation under Paragraph (1) of Subdivision (d) of Government Code Section 54956.9  
*Chris Reimer v. City of National City, et al.*  
San Diego Superior Court Case No. 37-2015-000-38580
3. Conference with Legal Counsel – Pending Litigation  
Existing Litigation under Paragraph (1) of Subdivision (d) of Government Code Section 54956.9  
*City of Chula Vista v. Sandoval, et al.*  
Sacramento Superior Court Case No. 37-2015-000-38580
4. Conference with Legal Counsel – Potential Litigation  
Significant Exposure to Litigation under Government Code Section 54956.9(d)(4)  
One Potential Case

**ADJOURNMENT**

The next Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City to be held Tuesday, August 15, 2017 at 6:00 p.m. at the Council Chamber, National City, California.

\_\_\_\_\_  
City Clerk

The foregoing minutes were approved at the Regular Meeting of March 6, 2018.

\_\_\_\_\_  
Mayor

**DRAFT      DRAFT      DRAFT**  
**MINUTES OF A SPECIAL MEETING OF THE  
CITY COUNCIL OF THE CITY OF NATIONAL CITY**

**October 17, 2017**

The Special Meeting of the City Council of the City of National City was called to order at 5:05 p.m. by Mayor / Chairman Ron Morrison.

**ROLL CALL**

Council / Board members present: Cano, Mendivil, Morrison, Rios, Sotelo-Solis.

Administrative Officials present: Dalla, Deese, Morris-Jones, Raulston, Stevenson.

**PUBLIC COMMENTS – None**

Members retired into Closed Session at 5:06 p.m.

**CLOSED SESSION**

**CITY COUNCIL**

1.    Real Property Transaction – Government Code Section 54956.8  
Property Description: Lot 19- 22 of Block 109 of the City of National City  
commonly known as 302 West 19th Street.  
Total property size: 11,772 sq. ft., or 0.27 acres  
Assessor Parcel No: 559-104-14, 559-104-15, 559-104-05, 559-104-11  
Agency Negotiator: Brad Raulston  
Negotiating Parties: Frank Safley  
Under Negotiation: Price and terms of payment
  
2.    Conference with Real Property Negotiators  
Government Code Section 54956.8  
Property Description: Lots: 1-4. Block 46 Map Ref: MAP348 of the City of  
National City commonly known as 140 West 18<sup>th</sup> Street.  
(A.P.N. 560-202-01)  
Agency Negotiator: Brad Raulston, Deputy City Manager  
Negotiating Parties: Isfahan, LLC and Phomsavanh Sayheune  
Under Negotiation: Price and Terms of Payment

**ADJOURNMENT**

Next Regular City Council Meeting: Tuesday, October 17, 2017, 6:00 p.m., City Council Chambers, Civic Center – National City, California.

\_\_\_\_\_  
City Clerk

The foregoing minutes were approved at the Regular Meeting of March 6, 2018.

\_\_\_\_\_  
Mayor

DRAFT      DRAFT      DRAFT

**MINUTES OF THE REGULAR MEETING OF THE  
CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION –  
HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY**

**October 17, 2017**

The Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City was called to order at 6:10 p.m. by Mayor / Chairman Ron Morrison.

**ROLL CALL**

Council / Board members present: Cano, Mendivil, Morrison, Rios, Sotelo-Solis.  
Administrative Officials present: Dalla, Deese, Denham, Duong, Manganiello, Morris-Jones, Parra, Raulston, Roberts, Rodriguez, Stevenson, Vergara, Williams, Ybarra.  
Others present: Student Council Representative Erika Gastelum.

**PLEDGE OF ALLEGIANCE TO THE FLAG BY MAYOR RON MORRISON**

**PUBLIC COMMENTS**

Francisco Vargas urged the City Council to send a letter of support for passage of the Clean Dreamers Act.  
Coyote Moon, National City, spoke against the repeal of the existing term limit for the Mayor.

**AWARDS AND RECOGNITIONS**

**COUNCIL MEETING PRESENTATIONS / AWARDS & RECOGNITIONS 2017  
(102-10-12)**

1. Employee of the Quarter 2017 - Jose Lopez, Assistant Civil Engineer.  
(Engineering/Public Works)

**PRESENTATIONS**

**COUNCIL MEETING PRESENTATIONS / AWARDS & RECOGNITIONS 2017  
(102-10-12)**

2. Technology Update from Automated Regional Justice Information System (ARJIS). (Pam Scanlon, ARJIS Director)

**INTERVIEWS / APPOINTMENTS**

**BOARDS & COMMISSIONS ADMIN (101-1-1)**

3. Interviews and Appointments: Expired Terms / Veterans and Military Families Advisory Committee. (City Clerk)  
**ACTION:** Motion by Morrison, seconded by Cano, to re-appoint Ray Juarez and Nidya Rivera-Moreno to the Library Board of Trustees.  
Carried by unanimous vote.

**CITY COUNCIL**

**CONSENT CALENDAR**

**ADOPTION OF CONSENT CALENDAR.** Item No. 4 (NCMC), Item Nos. 5 (Minutes), Items No. 6 through 10 (Resolution Nos. 2017-195 through 2017-206), Item No. 11 (Temporary Use Permit), Item No. 12 (Report), Items No. 14 through 15 (Warrant Registers). Motion by Sotelo-Solis, seconded by Mendivil, to approve the Consent Calendar except for Item No.12. Carried by unanimous vote.

**MUNICIPAL CODE 2017 (506-2-32)**

4. MOTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY APPROVING THE WAIVING OF THE READING OF THE TEXT OF THE ORDINANCES CONSIDERED AT THIS MEETING AND PROVIDING THAT SUCH ORDINANCES SHALL BE INTRODUCED AND/OR ADOPTED AFTER A READING OF THE TITLE ONLY. (City Clerk)

**ACTION:** Approved. See above.

**APPROVAL OF THE MINUTES (103-02-01)**

5. APPROVAL OF THE MINUTES OF THE ADJOURNED REGULAR MEETING OF THE CITY COUNCIL AND COMMUNITY DEVELOPMENT COMMISSION - HOUSING AUTHORITY OF THE CITY OF NATIONAL CITY OF OCTOBER 3, 2017. (City Clerk)

**ACTION:** Approved. See above

**CONTRACT (C2017-10)**

**ENGINEERING / PUBLIC WORKS DEPT - GRANTS / REPORTS ADMIN (1104-1-1)**

6. Resolution No. 2017-195. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE ESTABLISHMENT OF AN ENGINEERING GRANTS FUND APPROPRIATION OF \$165,000 AND CORRESPONDING REVENUE BUDGET FOR PRELIMINARY ENGINEERING FOR THE SWEETWATER RIVER BIKEWAY PROJECT, FUNDED BY A STATE OF CALIFORNIA ACTIVE TRANSPORTATION PROGRAM GRANT WITH NO MATCHING FUNDS REQUIRED. (Engineering/Public Works)

**ACTION:** Adopted. See above.

**PARKING & TRAFFIC CONTROL ADMIN 2017 (801-02-38)**

7. Resolution No. 2017-196. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE INSTALLATION OF YIELD CONTROL SIGNS AND PAVEMENT MARKINGS FOR THE NORTHBOUND AND SOUTHBOUND "V" AVENUE APPROACHES TO THE INTERSECTION WITH E. 9TH STREET IN ORDER TO ENHANCE SAFETY AT THE INTERSECTION (TSC NO. 2017-23).. (Engineering/Public Works)

**ACTION:** Adopted. See above.



**CONSENT CALENDAR (cont.)**

**PARKING & TRAFFIC CONTROL ADMIN 2017 (801-02-38)**

8. Resolution No. 2017-197. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE INSTALLATION OF "NO PARKING VEHICLES OVER 6 FEET HIGH" SIGNS WITH "VALID PERMITS EXCEPTED" SUPPLEMENTAL PLAQUES ON BOTH SIDES OF PARADISE DRIVE BETWEEN E. 11TH STREET AND E. 12TH STREET AND ON BOTH SIDES OF E. 12TH STREET BETWEEN PARADISE DRIVE AND E. PLAZA BOULEVARD TO RESTRICT LARGE VEHICLE PARKING, AS REQUESTED BY AREA RESIDENTS (TSC No. 2017-26). (Engineering/Public Works)

**ACTION:** Adopted. See above.

**PARKING & TRAFFIC CONTROL ADMIN 2017 (801-02-38)**

9. Resolution No. 2017-198. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE INSTALLATION OF RED CURB "NO PARKING" ON THE NORTH SIDE OF E. 12TH STREET BETWEEN E. PLAZA BOULEVARD AND THE DRIVEWAY OF THE BUSINESS PARK LOCATED AT 2401-2449 PLAZA BOULEVARD TO ENHANCE VISIBILITY AT THE INTERSECTION (TSC No. 2017-26). (Engineering/Public Works)

**ACTION:** Adopted. See above.

**PARKING & TRAFFIC CONTROL ADMIN 2017 (801-02-38)**

10. Resolution No. 2017-199. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AUTHORIZING THE INSTALLATION OF ALL-WAY STOP CONTROL AT THE T-INTERSECTION OF E. 14TH STREET AND GROVE STREET IN RESPONSE TO SAFETY CONCERNS BY AREA RESIDENTS (TSC NO. 2017-27). (Engineering/Public Works)

**ACTION:** Adopted. See above.

**TEMPORARY USE PERMITS 2017 (203-1-33)**

11. Temporary Use Permit – 2nd Annual Sweetest Ride Kustom Car & Bike Show hosted by Sweetwater Harley Davidson on October 28, 2017 from 11 a.m. to 8 p.m. at 3201 Hoover Avenue with no waiver of fees. (Neighborhood Services)

**ACTION:** Approved. See above.

**FINANCIAL MANAGEMENT 2017-2018 (204-1-33)**

12. Acceptance of the National City 2017/18 Property Tax Summary. (Finance)  
**ACTION:** Motion by Sotelo-Solis, seconded by Cano to accept the property tax summary. Carried by unanimous vote.

**WARRANT REGISTER JULY 2017 – JUNE 2018 (202-1-32)**

13. Warrant Register #10 for the period of 08/30/17 through 09/05/17 in the amount of \$3,229,254.14. (Finance)

**ACTION:** Ratified. See above.

**CONSENT CALENDAR (cont).**

**WARRANT REGISTER JULY 2017 – JUNE 2018 (202-1-32)**

14. Warrant Register #11 for the period of 09/06/17 through 09/12/17 in the amount of \$1,919,840.65. (Finance)  
**ACTION:** Ratified. See above.

**WARRANT REGISTER JULY 2017 – JUNE 2018 (202-1-32)**

15. Warrant Register #12 for the period of 09/13/17 through 09/19/17 in the amount of \$635,799.71. (Finance)  
**ACTION:** Ratified. See above.

**PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS**

**CONDITIONAL USE PERMITS 2017 (403-32-1)**

**CONDITIONAL USE PERMITS DENIALS 2017 – 2019 (403-06-02)**

16. Resolution Nos. 2017-200 and 2017-201. PUBLIC HEARING AND ADOPTION OF ONE OF TWO ALTERNATIVE RESOLUTIONS OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY TO APPROVE OR DENY A CONDITIONAL USE PERMIT MODIFICATION FOR DISTILLED SPIRITS AT AN EXISTING BEER AND WINE-LICENSED RESTAURANT (TITA'S II) LOCATED AT 3421 EAST PLAZA BLVD.; CITY COUNCIL MAY APPROVE EITHER OF THE ATTACHED RESOLUTIONS BASED ON SUPPORTED FINDINGS FOR DENIAL OR APPROVAL. (Applicant: Roger Speir) (Case File No. 2017-09 CUP) (Planning)

**RECOMMENDATION:** Approve the CUP modification.

**TESTIMONY:** Rodney Speir, the owner of Tita's Restaurant, spoke in support and responded to questions.

Albert Abram, San Diego, spoke in support of the CUP permit.

Edward Nieto, National City, spoke in opposition to the permit.

Carl Arnessea, Spring Valley, spoke in support of the permit.

Olga Flores, National City, spoke in opposition to the permit.

Robert Scales, San Diego, spoke in support of the permit.

Anne Campbell, National City, spoke in opposition.

Jovita Arellano, spoke in opposition.

Felipe Munoz, National City, spoke in opposition.

Gloria Nieto, National City, spoke in support.

**ACTION:** Motion by Cano, seconded by Cano, to close the Public Hearing. Carried by unanimous vote.

Motion by Cano, seconded by Morrison, to approve the Conditional Use Permit based on the findings and recommended conditions of approval. Motion failed by the following vote, to-wit: Ayes: Cano, Morrison. Nays: Sotelo-Solis, Mendivil, Rios.

Motion by Sotelo-Solis, seconded by Mendivil, to deny the Conditional Use Permit based on the findings. Carried by the following vote, to-wit: Ayes: Mendivil, Rios, Sotelo-Solis. Nays: Cano, Morrison. Abstain: None. Absent: None.



**PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS**

**CONDITIONAL USE PERMITS 2017 (403-32-1)**

**CONDITIONAL USE PERMITS DENIALS 2017 – 2019 (403-06-02)**

(cont.)

16. **DISCLOSURE:** Members Cano, Rios and Mendivil disclosed that they live near the subject business but based on the advice of the City Attorney are not required to abstain from voting.

Member Rios left the Chamber at 8:14 p.m.

Item No. #24 was taken up next

**NEW BUSINESS**

**CITY MANAGER / REPORTS ADMIN (1104-1-12)**

24. Discussion of the policy and standards for interns and volunteer council representatives working in the offices of the City Council. (City Manager)

**RECOMMENDATION:** Give consideration to the development of a Council Policy governing the use of all types of volunteers by the City Council.

**TESTIMONY:** None.

**ACTION:** Motion by Cano, seconded by Mendivil, to table the item. Carried by the following vote, to-wit: Ayes: Cano, Mendivil, Morrison. Nays: Sotelo-Solis. Abstain: None. Absent: Rios.

**RECESS**

A recess was called at 8:17 p.m. The meeting reconvened at 8:26 p.m. All members were present (Sotelo-Solis 8:27 p.m.).

**PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS (cont.)**

**HOUSING & ECONOMIC DEVELOPMENT DEPT ADMIN (1104-01-09)**

17. Resolution No. 2017-202. PUBLIC HEARING AND ADOPTION OF A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ADOPTING THE CITIZEN AND COMMUNITY PARTICIPATION PLAN REQUIRED FOR THE FIVE-YEAR CONSOLIDATED PLAN AND THE ASSESSMENT OF FAIR HOUSING TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD). (Housing & Economic Development)

**RECOMMENDATION:** Conduct the hearing and adopt the Resolution.

**TESTIMONY:** None.

**ACTION:** Motion by Rios, seconded by Cano, to close the Public Hearing. Carried by unanimous vote.

Motion by Mendivil, seconded by Cano, to adopt the Resolution. Carried by unanimous vote.

**PUBLIC HEARINGS: ORDINANCES AND RESOLUTIONS (cont.)**

**MUNICIPAL CODE 2017 (506-02-32)**

18. Ordinance No. 2017-2440. Public Hearing and Adoption of an Ordinance of the City Council of the City of National City amending the National City Municipal Code by amending Section 7.10.080 pertaining to enclosures required for trash receptacles, and amending Title 18 (Zoning) by amending Section 18.30.150, Subsection B (Outdoor Display or Sale of Merchandise), Section 18.30.200, Subsection B (sidewalk cafes), Section 18.47.040 (Definitions), Section 18.47.110 (Murals), and Section 18.50.010 (Glossary), and 18.50.010 (Glossary). (Applicant: City-Initiated Land Use Amendment) (Case File 2017-22 A) (Planning)

**RECOMMENDATION:** Conduct the hearing and adopt the Resolution.

**TESTIMONY:** None.

**ACTION:** Motion by Sotelo-Solis, seconded by Cano, to close the Public Hearing. Carried by unanimous vote.

Motion by Rios, seconded by Sotelo-Solis, to adopt the Ordinance. Carried by unanimous vote.

**NON CONSENT RESOLUTIONS**

**COUNCIL POLICY ADMIN (102-13-1)**

19. Resolution No. 2017-203. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ADOPTING CITY COUNCIL POLICY 203, INVESTMENTS FOR FISCAL YEAR 2018, AMENDING SUBSECTIONS 1 AND 14.B OF SECTION VIII AND SUBSECTION B.2 OF SECTION IX AND ADDING TERMS TO THE GLOSSARY OF INVESTMENT TERMS. (Finance)

**RECOMMENDATION:** Adopt the Resolution.

**TESTIMONY:** City Treasurer Mitch Beauchamp spoke in support.

**ACTION:** Motion by Sotelo-Solis, seconded by Mendivil, to adopt the Resolution. Carried by unanimous vote.

**COUNCIL POLICY ADMIN (102-13-1)**

20. Resolution No. 2017-204. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY AMENDING CITY COUNCIL POLICY 803, TO CLARIFY THE FACILITIES GOVERNED BY THE POLICY AND ALLOW THE SERVICE AND SALE OF ALCOHOL AT THE MARTIN LUTHER KING COMMUNITY CENTER FOR CITY SPONSORED AND CO-SPONSORED EVENTS. (Community Services)

**RECOMMENDATION:** Adopt the Resolution with added language about audio visual refunds.

**TESTIMONY:** None.

**ACTION:** Motion by Mendivil, seconded by Cano, to adopt the Resolution with clarification that audio visual deposits are refundable. Carried by unanimous vote.

**NON CONSENT RESOLUTIONS (cont.)**

**COUNCIL POLICY ADMIN (102-13-1)**

21. Resolution No. 2017-205. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ADOPTING CITY COUNCIL POLICY 804, FACILITY USE GUIDELINES AND REGULATIONS FOR THE USE OF THE NATIONAL CITY AQUATIC CENTER AND GRANGER MUSIC HALL. (Community Services)

**RECOMMENDATION:** Adopt the Resolution.

**TESTIMONY:** None.

**ACTION:** Motion by Cano, seconded by Sotelo-Solis, to adopt the Resolution. Carried by unanimous vote.

**COUNCIL POLICY ADMIN (102-13-1)**

22. Resolution No. 2017-206. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NATIONAL CITY ADOPTING AN AMENDMENT TO CITY COUNCIL POLICY 1001, RISK MANAGEMENT POLICY. (City Attorney/Human Resources)

**RECOMMENDATION:** Adopt the Resolution.

**TESTIMONY:** None.

**ACTION:** Motion by Sotelo-Solis, seconded by Rios, to adopt the Resolution. Carried by unanimous vote.

**NEW BUSINESS**

**COMMUNITY SERVICES DEPT ADMIN (1104-01-07)**

23. Approve a memorial dedication plaque, requested by the KaBOOM! Funding partner, Dr. Pepper Snapple Group, to be placed on one of the KaBOOM! Enhancement project benches or picnic tables, honoring the late grandson of a longtime Dr. Pepper Snapple Group employee. (Community Services)

**RECOMMENDATION:** Approve the memorial dedication.

**TESTIMONY:** None.

**ACTION:** Motion by Cano, seconded by Mendivil, to approve the memorial dedication plaque. Carried by the following vote, to-wit: Ayes: Cano, Mendivil, Morrison, Nays: Rios, Sotelo-Solis. Abstain: None. Absent: None.

Motion by Rios, seconded by Sotelo-Solis, to bring back a dedication policy as well as a naming policy so that we know how to move forward in terms of donations to this community. Carried by the following vote, to-wit: Ayes: Cano, Morrison, Rios, Sotelo-Solis. Nays: Mendivil. Abstain: None. Absent: None.

**NEW BUSINESS (cont.)**

**CITY MANAGER / REPORTS ADMIN (1104-1-12)**

24. Discussion of the policy and standards for interns and volunteer council representatives working in the offices of the City Council. (City Manager)

**RECOMMENDATION:** Give consideration to the development of a Council Policy governing the use of all types of volunteers by the City Council.

**TESTIMONY:** Marisol Natividad, National City, expressed displeasure that such a policy is being discussed because volunteers are a blessing to the community.

Andrew McKercher, National City, said he believes volunteers are a great asset to the City.

Gloria Nieto, National City, inquired why the matter is being discussed.

Mark Lane, National City, expressed displeasure about how Council Members Rios and Sotelo-Solis are being treated by their colleagues.

Jane Delayo, representing Lemon Grove Councilmember David Arambula, read a letter into the record supporting Council Representative volunteers.

Jose Rodrigues, National City, spoke in support of City Council volunteers and said we need more volunteers in the community.

**ACTION:** Taken up earlier in the meeting and tabled. After Item #16.

**CITY MANAGER / REPORTS ADMIN (1104-1-12)**

25. Continued discussion of the proposed termination of the federal Deferred Action for Childhood Arrivals (DACA) program, including consideration of a Resolution in support of the program. (City Manager)

**RECOMMENDATION:** Accept the report and provide any further direction to staff. Move forward with Resolution based on version from North Carolina.

**TESTIMONY:** Mark Lane, National City, spoke in support of a Resolution of support for DACA.

**ACTION:** Motion by Rios, seconded by Sotelo-Solis, to bring back a Resolution of support for DACA based on the one from Durham, North Carolina. Carried by unanimous vote.

**COUNCIL MEETINGS REGS / SCHEDULE ADMIN (102-7-1)**

26. City Council Meeting Schedule for December 2017 and January 2018. (City Clerk)

**RECOMMENDATION:** Dispense with the January 2, 2018 Regular Meeting of the City Council and Community Development Commission – Housing Authority of the City of National City.

**TESTIMONY:** None.

**ACTION:** Motion by Rios, seconded by Cano, to approve Staff Recommendation. Carried by unanimous vote.



**B. COMMUNITY DEVELOPMENT COMMISSION-HOUSING AUTHORITY**  
NO HOUSING AUTHORITY BUSINESS

**C. REPORTS**

**STAFF REPORTS**

Emergency Services Director Frank Parra provided brief follow-up reports on the Hepatitis "A" outbreak and the efforts county-wide and locally, to address the problem. On September 1<sup>st</sup>, the San Diego County Public Health Officer declared a Local Health Emergency. To date there have been 507 confirmed cases, 19 deaths and 351 people hospitalized. Director Parra also gave update on the first week of service with Squad 33 and expressed thanks to the Council and staff for their support.

**MAYOR AND CITY COUNCIL**

Vice Mayor Mendivil said that the recent Festival of Life event held in Kimball Park was an outstanding, wholesome, positive experience for the people of National City and reported that over 8,000 people attended during the 6 day event.

Member Mendivil asked that the City Council consider joining with Imperial Beach and others in the South Bay in possible legal action against the Federal Government regarding sewage contamination.

**ACTION:** Motion by Mendivil, seconded by Sotelo-Solis, to bring back for discussion. Carried by the following vote, to-wit: Ayes: Mendivil, Morrison, Rios, Sotelo-Solis. Nays: Cano. Abstain: None. Absent: None.

Member Sotelo-Solis expressed her displeasure on how item #24 relating to Council Member volunteers was handled and pulled from the agenda as well as the motivation for having it on the agenda; spoke out against the Festival of Life event and took issue with the proposed ballot measure being pursued to repeal the term limit for the Mayor. Member Sotelo-Solis stated: "Proposition "T" was approved by a good percentage of voters who said the Mayor needed term limits. The public should know that there is ballot measure out there to change that". Member Sotelo-Solis concluded by reminding everyone that Sweetwater High was having Homecoming week.

Member Rios took issue with the Festival of Life event and how it was presented to the community and the apparent collection of credit card and personal information from residents. Member Rios questioned the need for Item #24 regarding Council Member volunteers to be on the agenda and the reason why it was suddenly pulled without explanation; and criticized the ballot measure proposing term limits for Mayor and Council which she considers misleading because it actually resets the existing term limit for the Mayor and allows him to seek election for two more terms. Member Rios asked if our firefighters dispatched to fight the huge California fires could make a presentation to Council.

**MAYOR AND CITY COUNCIL (cont.)**

Member Cano said that he supported and voted for the Festival of Life because he was told it was a good thing. But after hearing a different story from his family about what was being asked of residents at the event, he believes that he did the wrong thing; apologized for doing so and said he would not be supporting the event in the future.

Mayor Morrison outlined the experience and practices in his office using interns. Mayor Morrison said that, "as far as what actions may or may not happen as far as a of ballot measure on term limits, let the people of National City decide. If the people have a chance to do it, not just with a few loud voices but with all the voices in National City, we'll let them make the decision. That will determine what we do up here". The Mayor concluded by extending an invitation to the State of the City Address on October 27<sup>th</sup>.

**CLOSED SESSION REPORT**

City Attorney Angil Morris-Jones reported that the City Council acted in Closed Session on one item and gave direction to staff by a 4 to 1 vote, with member Sotelo-Solis voting no. (See attached Exhibit 'L')

**ADJOURNMENT**

Motion by Mendivil, seconded by Sotelo-Solis, to adjourn the meeting to the next Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Downtown Specific Plan: Public Hearing and Adoption - Tuesday - November 7, 2017 - 4:30 p.m. - Council Chambers - National City, California. Carried by unanimous vote.

Regular Meeting of the City Council and Community Development Commission - Housing Authority of the City of National City - Tuesday - November 7, 2017 - 6:00 p.m. - Council Chambers - National City, California.

The meeting closed at 10:15 p.m.

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City Clerk

The foregoing minutes were approved at the Regular Meeting of March 6, 2018.

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Mayor

## EXHIBIT 'L'



### AGENDA OF A SPECIAL MEETING

#### CITY COUNCIL OF THE CITY OF NATIONAL CITY

Main Conference Room  
Civic Center  
1243 National City Boulevard  
National City, California

Special Meeting - Tuesday, October 17, 2017 – 5:00 p.m.

#### ROLL CALL

#### CITY COUNCIL

#### CLOSED SESSION

1. Real Property Transaction – Government Code Section 54956.8  
Property Description: Lot 19- 22 of Block 109 of the City of National City commonly known as 302 West 19th Street.  
Total property size: 11,772 sq. ft., or 0.27 acres  
Assessor Parcel No: 559-104-14, 559-104-15, 559-104-05, 559-104-11  
Agency Negotiator: Brad Raulston  
Negotiating Parties: Frank Safley  
Under Negotiation: Price and terms of payment
2. Conference with Real Property Negotiators  
Government Code Section 54956.8  
Property Description: Lots: 1-4. Block 46 Map Ref: MAP348 of the City of National City commonly known as 140 West 18<sup>th</sup> Street. (A.P.N. 560-202-01)  
Agency Negotiator: Brad Raulston, Deputy City Manager  
Negotiating Parties: Isfahan, LLC and Phomsavanh Sayheune  
Under Negotiation: Price and Terms of Payment

#### ADJOURNMENT

Next Regular City Council Meeting: Tuesday, October 17, 2017, 6:00 p.m., City Council Chambers, Civic Center – National City, California.

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City authorizing the Mayor to execute an Agreement between the City of San Diego Office of Homeland Security and the City of National City, and authorizing the establishment of an appropriation and co



**CITY OF NATIONAL CITY, CALIFORNIA  
COUNCIL AGENDA STATEMENT**

**MEETING DATE:** March 6, 2018

**AGENDA ITEM NO.** |

**ITEM TITLE:**

Resolution of the City Council of the City of National City authorizing the Mayor to execute an Agreement between the City of San Diego Office of Homeland Security and the City of National City, and authorizing the establishment of an appropriation and corresponding revenue budget in the amount of \$76,134 from the FY17 Urban Area Security Initiative (UASI) Grant Funds for the reimbursable grant purchase of equipment, planning, and training for the Police and Fire Departments. (Fire)

**PREPARED BY:** Frank Parra

**DEPARTMENT:** Fire

**PHONE:** (619) 336-4551

**APPROVED BY:** 

**EXPLANATION:**

This Agreement documents the roles, responsibilities, and expectations at the local, state, and federal levels and ensures that the City of National City, as a participant in the program, agrees to meet state and federal requirements. The UASI grant provides funding for equipment, planning, and training needed to respond to natural or man-made disasters or terrorism incidents that may occur in the San Diego urban area. This grant program requires the City to incur expenses for equipment, planning, and training for police and fire personnel, and then apply for reimbursement. This Agreement requires subrecipient indemnification and as such needs Council approval.

This request authorizes the establishment of an appropriation and corresponding revenue budget in the amount of \$76,134 from the FY17 Urban Area Security Initiative (UASI) Grant Funds. The appropriation will be used to purchase \$48,591 in equipment, \$10,000 will go toward planning, and \$17,543 for training for the Fire and Police Departments.

**FINANCIAL STATEMENT:**

**APPROVED:**  Finance

**ACCOUNT NO.**

**APPROVED:** MIS

Expenditure Account: 282-411-948-518-0000 Equipment - \$48,591; 282-411-948-226-0000 Training - \$8,771.50, 282-412-948-226-0000 Training - \$8,771.50; 282-412-948-502-0000 Computer Equipment - \$10,000  
Revenue Account: 282-11948-3498 - \$57,362.50 & 282-12948-3498 - \$18,771.50. No City match required.

**ENVIRONMENTAL REVIEW:**

This is not a project and, therefore, not subject to environmental review.

**ORDINANCE:** INTRODUCTION: ☐ FINAL ADOPTION: ☐

**STAFF RECOMMENDATION:**

Approve the Resolution.

**BOARD / COMMISSION RECOMMENDATION:**

**ATTACHMENTS:**

1. Agreement between the City of San Diego Office of Homeland Security and the City of National City for the distribution of FY17 Urban Area Security Initiative (UASI) grant funds
2. Resolution

**AGREEMENT BETWEEN THE CITY OF  
SAN DIEGO OFFICE OF HOMELAND SECURITY AND THE  
CITY OF NATIONAL CITY  
FOR THE DISTRIBUTION OF FY 2017 UASI GRANT FUNDS**

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THIS AGREEMENT is made this day of March 6, 2018 in the City and County of San Diego, State of California, by and between the CITY OF NATIONAL CITY ("SUBRECIPIENT") and the CITY OF SAN DIEGO, a municipal corporation ("San Diego" or "City"), in its capacity as fiscal agent for the Approval Authority, as defined below, acting by and through the San Diego Office of Homeland Security ("OHS").

***RECITALS***

WHEREAS, The United States Department of Homeland Security ("DHS") designated San Diego as an eligible high risk urban area through an analysis of relative risk of terrorism, the San Diego Urban Area ("SDUA") was established for the purpose of application for and allocation and distribution of federal Urban Areas Security Initiative ("UASI") program grant funds; and

WHEREAS, The Urban Area Working Group ("UAWG"), a collaborative subcommittee established by the San Diego County Unified Disaster Council, was established as the Approval Authority for the SDUA, to provide overall governance of the homeland security grant program across the SDUA, to coordinate development and implementation of all UASI program initiatives, and to ensure compliance with all UASI program requirements; and

WHEREAS, The City of San Diego Office of Homeland Security ("SD OHS"), as the "core city" for the SDUA, will serve as the chair and the UASI Grant Administrator, and SD OHS Executive Director is responsible for implementing and managing the policy and program decisions of the Approval Authority, directing the work of the UASI Management Team personnel, and performing other duties as determined and directed by the Approval Authority, and

WHEREAS, San Diego has been designated as the grantee for UASI funds granted by the DHS through the California Office of Emergency Services ("Cal OES") to the SDUA, with responsibility to establish procedures and execute subgrant agreements for the distribution of UASI program grant funds to jurisdictions selected by the Approval Authority to receive grant funding; and

WHEREAS, San Diego has been designated to serve as the fiscal agent for the Approval Authority, and to establish procedures and provide all financial services for distribution of UASI program grant funds within the SDUA; and

WHEREAS, Pursuant to grant allocation decisions by the Approval Authority, the UASI Management Team has asked San Diego to distribute a portion of the regional UASI grant funds to SUBRECIPIENT on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:



## ARTICLE 1 DEFINITIONS

1.1 **Specific Terms.** Unless the context requires otherwise, the following capitalized terms (whether singular or plural) shall have the meanings set forth below:

(a) **“ADA”** shall mean the Americans with Disabilities Act (including all rules and regulations there under) and all other applicable federal, state and local disability rights legislation, as the same may be amended, modified or supplemented from time to time.

(b) **“Authorized Expenditures”** shall mean expenditures for those purposes identified and budgeted in the SUBRECIPIENT Award Letter (Appendix A) and/or approved modification.

(c) **“Event of Default”** shall have the meaning set forth in Section 7.1.

(d) **“Fiscal Quarter”** shall mean each period of three calendar months commencing on July 1, October 1, January 1, and April 1, respectively.

(e) **“Grant Funds”** shall mean any and all funds allocated or disbursed to SUBRECIPIENT (DUNS#: 0724940730000) under this Agreement. This Agreement shall specifically cover funds allocated or disbursed from Cal OES Grant No. 2017-0083, Cal OES ID No. 073-66000, CFDA No. 97.067, per Cal OES award notice dated October 20, 2017.

(f) **“Grant Plan”** shall mean the plans, performances, events, exhibitions, acquisitions or other activities or matter, and the budget and requirements, described in the approved Financial Management Forms Workbook (FMFW). If SUBRECIPIENT requests any modification to the Grant Plan, SUBRECIPIENT shall submit a written request to the SD OHS Executive Director with the following information: Scope of change requested, reason for change, proposed plan for change, summary of approved and requested modifications to the Grant Plan, and any necessary approvals in support of change (e.g., EHP).

(g) **“Indemnified Parties”** shall mean: (i) San Diego, including all commissions, departments including OHS, agencies, and other subdivisions of San Diego; (ii) San Diego’s elected officials, directors, officers, employees, agents, successors, and assigns; and (iii) all persons or entities acting on behalf of the foregoing.

(h) **“Losses”** shall mean any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, judgments, fees, expenses and costs of whatsoever kind and nature (including legal fees and expenses and costs of investigation, of prosecuting or defending any Loss described above) whether or not such Loss be founded or unfounded, of whatsoever kind and nature.

(i) **“Reimbursement Request”** shall have the meaning set forth in Section 3.10(a).

(j) **“UASI Management Team”** shall mean The City of San Diego Office of Homeland Security Executive Director, Program Manager, Program Coordinator, as well as project, grant, and administrative staff. The Executive Director appoints members to the Management Team to implement the policies of the UAWG.

(k) **“Pass-through entity”** shall mean a non-Federal entity that provides a sub award to a subrecipient to carry out part of a Federal Program.

1.2 **Additional Terms.** The terms “as directed,” “as required” or “as permitted” and similar terms shall refer to the direction, requirement, or permission of City. The terms “sufficient,” “necessary” or “proper” and similar terms shall mean sufficient, necessary or proper in the sole judgment of City. The terms “approval,” “acceptable” or “satisfactory” or similar terms shall mean approved by, or acceptable or satisfactory to, City. The terms “include,” “included” or “including” and similar terms shall be deemed to be followed by the words “without limitation.” The use of the term “subcontractor,” “successor” or “assign” herein refers only to a subcontractor, successor or assign expressly permitted under Article 8.

1.3 **References to this Agreement.** References to this Agreement include: (a) any and all appendices, exhibits, schedules, and attachments hereto; (b) any and all statutes, ordinances, regulations or other documents expressly incorporated by reference herein; and (c) any and all amendments, modifications or supplements hereto made in accordance with Section 10.2. References to articles, sections, subsections or appendices refer to articles, sections or subsections of or appendices to this Agreement, unless otherwise expressly stated. Terms such as “hereunder,” “herein” or “hereto” refer to this Agreement as a whole.

1.4 **Reference to laws.** Any reference in this Agreement to a federal or state statute, regulation, executive order, requirement, policy, guide, guideline, information bulletin, or instruction shall mean that statute, regulation, executive order, requirement, policy, guide, guideline, information bulletin, or instruction as is currently in effect and as may be amended, modified or supplemented from time to time.

## **ARTICLE 2**

### **ALLOCATION AND CERTIFICATION OF GRANT FUNDS; LIMITATIONS ON SAN DIEGO’S OBLIGATIONS**

2.1 **Risk of Non-Allocation of Grant Funds.** This Agreement is subject to all federal and state grant requirements and guidelines, including DHS and Cal OES requirements, guidelines, information bulletins, and instructions, the decision-making of the Cal OES and the Approval Authority, the terms and conditions of the grant award; the approved application, and to the extent applicable the budget and fiscal provisions of the San Diego City Charter. The Approval Authority shall have no obligation to allocate or direct disbursement of funds for this Agreement in lieu of allocations for new or other agreements. SUBRECIPIENT acknowledges and agrees that grant decisions are subject to the discretion of the Cal OES and Approval Authority. Further, SUBRECIPIENT acknowledges and agrees that the City shall have no obligation to disburse grant funds to SUBRECIPIENT until City and SUBRECIPIENT have fully and finally executed this Agreement. SUBRECIPIENT acknowledges and agrees that if it takes any action, informal or formal, to appropriate, encumber or expend Grant Funds before final allocation decisions by Cal OES and the Approval Authority, and before this Agreement is fully and finally executed, it assumes all risk of possible non-allocation or non-reimbursement of funds, and such acknowledgement and agreement is part of the consideration of this Agreement.

2.2 **Certification of Controller; Guaranteed Maximum Costs.** No funds shall be available under this Agreement without prior written authorization certified by the San Diego Chief Financial Officer as set forth in Section 39 of the City of San Diego City Charter:

“No contract, agreement, or other obligation for the expenditure of public funds shall be entered into by any officer of the City and no such contract shall be valid unless the Chief Financial Officer shall certify in writing that there has been made an appropriation to cover the expenditure and that there remains a sufficient balance to meet the demand thereof.”

### ARTICLE 3 PERFORMANCE OF THE AGREEMENT

3.1 **Duration of Term.** The term of this Agreement shall commence on **OCTOBER 20, 2017** and shall end at 11:59 p.m. San Diego time on **APRIL 30, 2020**.

3.2 **Maximum Amount of Funds.** In no event shall the amount of Grant Funds disbursed hereunder exceed the amount awarded under the SUBRECIPIENT Award letter (Appendix A), Training and Exercise Participation Award Letter and/or approved modification. The City will not automatically transfer Grant Funds to SUBRECIPIENT upon execution of this Agreement. SUBRECIPIENT must submit a Reimbursement Request under Section 3.10 of this Agreement, approved by the UASI Management Team and City, before the City will disburse Grant Funds to SUBRECIPIENT.

3.3 **Use of Funds.**

(a) General Requirements. SUBRECIPIENT shall use the Grant Funds received under this Agreement for the purposes and in the amounts set forth in the Grant Plan. SUBRECIPIENT shall not use or expend Grant Funds for any other purpose, including but not limited to, for matching funds for other federal grants/cooperative agreements, lobbying or intervention in federal regulatory or adjudicatory proceedings, or to sue the federal government or any other government entity. SUBRECIPIENT shall not permit any federal employee to receive Grant Funds.

(b) Modification of Grant Plan. Under Sections 1.1(f) and 10.2 of this Agreement, SUBRECIPIENT may submit a written request to modify the Grant Plan. SUBRECIPIENT shall not appropriate, encumber or expend any additional or reallocated Grant Funds pursuant to such a request for modification until the SD OHS Executive Director or designee has provided written approval for the request. In addition, if the modification request requires approval from the Approval Authority and/or Cal OES, as determined by the SD OHS Executive Director, SUBRECIPIENT shall not appropriate, encumber or expend any additional or reallocated Grant Funds pursuant to the modification request without approval from the Approval Authority and/or Cal OES.

(c) No Supplanting. SUBRECIPIENT shall use Grant Funds to supplement existing funds, and not replace (supplant) funds that have been appropriated for the same purpose.

(d) Obligations. SUBRECIPIENT must expend Grant Funds in a timely manner consistent with the grant milestones, guidance and assurances; and make satisfactory progress toward the goals, objectives, milestones and deliverables in this Agreement.

(e) Subawards. SUBRECIPIENT is not an authorized pass-through entity and is not authorized to make any subawards of Grant Funds.

3.4 **Grant Assurances; Other Requirements; Cooperation with Monitoring.**

(a) SUBRECIPIENT shall comply with all Grant Assurances included in Appendix B, attached hereto and incorporated by reference as though fully set forth herein. SUBRECIPIENT shall require all contractors and other entities receiving Grant Funds from SUBRECIPIENT to execute a copy of the Grant Assurances, and shall ensure that they comply with those Grant Assurances.

(b) In addition to complying with all Grant Assurances, SUBRECIPIENT shall comply with all applicable statutes, regulations, executive orders, requirements, policies, guides, guidelines, information bulletins, Cal OES grant management memos, and instructions; the terms and conditions of the grant award; the approved application, and any conditions imposed by Cal OES or the Approval

Authority. SUBRECIPIENT shall require and ensure that all contractors and other entities receiving Grant Funds from SUBRECIPIENT comply with all applicable statutes, regulations, executive orders, requirements, policies, guides, guidelines, information bulletins, Cal OES grant management memos, and instructions; the terms and conditions of the grant award; the approved application, and any conditions imposed by Cal OES or the Approval Authority.

(c) SUBRECIPIENT shall promptly comply with all standards, specifications and formats of San Diego and the UASI Management Team, as they may from time to time exist, related to evaluation, planning and monitoring of the Grant Plan and compliance with this Agreement. SUBRECIPIENT shall cooperate in good faith with San Diego and the UASI Management Team in any evaluation, inspection, planning or monitoring activities conducted or authorized by DHS, Cal OES, San Diego or the UASI Management Team. For ensuring compliance with non-supplanting requirements, upon request by City or the UASI Management Team, SUBRECIPIENT shall supply documentation certifying that a reduction of non-federal resources occurred for reasons other than the receipt or expected receipt of Grant Funds.

3.5 **Administrative, Programmatic and Financial Management Requirements.** SUBRECIPIENT shall establish and maintain administrative, programmatic and financial management systems and records in accordance with federal and State of California requirements. This provision requires, at a minimum, that SUBRECIPIENT comply with the following non-exclusive list of regulations commonly applicable to DHS grants, as applicable to this Agreement and the Grant Plan:

- (a) Administrative Requirements:
  - 1. 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (formerly 44 CFR Part 13, OMB Circulars A-21, A-87, A-89, A-102, A-110, A-122, and A-133).
- (b) Cost Principles:
  - 1. 2 CFR Part 200, Subpart E - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (formerly 44 CFR Part 13, OMB Circulars A-21, A-87, A-89, A-102, A-110, A-122, and A-133);
  - 2. Federal Acquisition Regulations (FAR), Part 31.2 *Contract Principles and Procedures, Contracts with Commercial Organizations*.
- (c) Audit Requirements:
  - 1. 2 CFR Part 200 Subpart F - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (formerly 44 CFR Part 13, OMB Circulars A-21, A-87, A-89, A-102, A-110, A-122, and A-133).

3.6 **Technology Requirements.**

(a) National Information Exchange Model ("NIEM"). SUBRECIPIENT shall use the latest NIEM specifications and guidelines regarding the use of Extensible Markup Language ("XML") for all awards of Grant Funds.

(b) Geospatial Guidance. SUBRECIPIENT is encouraged to use Geospatial technologies, which can capture, store, analyze, transmit and/or display location-based information (i.e., information linked to a latitude and longitude), and to align any geospatial activities with the guidance available on the Federal Emergency Management Agency ("FEMA") website.

(c) Criminal Intelligence Systems Operating Policies. Any information technology system funded or supported by Grant Funds shall comply with 28 CFR Part 23, *Criminal Intelligence Systems Operating Policies*, if applicable.



(d) SUBRECIPIENT is encouraged to use the DHS guidance in *Best Practices for Government Use of CCTV: Implementing the Fair Information Practice Principles*, if Grant Funds are used to purchase or install closed circuit television (CCTV) systems or to support operational CCTV systems.

### 3.7 **Procurement Requirements.**

(a) General Requirements. SUBRECIPIENT shall follow its own procurement requirements as long as those requirements comply with all applicable federal and State of California statutes, regulations, requirements, policies, guides, guidelines and instructions, including the most recent restrictions in Executive Order 13809 on purchases of specified controlled equipment.

(b) Contract Provisions. All contracts made by the SUBRECIPIENT using Grant Funds must contain the applicable contract clauses described in Appendix II to the Uniform Rules (Contract Provisions for non-Federal Entity Contract Under Federal Awards). 2C.F.R. § 200.326.

(b) Specific Purchases. If SUBRECIPIENT is using Grant Funds to purchase interoperable communication equipment, SUBRECIPIENT shall consult DHS's SAFECOM's coordinated grant guidance, which outlines standards and equipment information to enhance interoperable communication. If SUBRECIPIENT is using Grant Funds to acquire critical emergency supplies, prior to expending any Grant Funds, SUBRECIPIENT shall submit to the UASI Management Team for approval by Cal OES a viable inventory management plan, an effective distribution strategy, sustainment costs for such an effort, and logistics expertise to avoid situations where funds are wasted because supplies are rendered ineffective due to lack of planning.

(c) Bond requirement. SUBRECIPIENT shall obtain a performance bond for any equipment items over \$250,000 or any vehicle, aircraft or watercraft financed with Grant Funds.

### 3.8 **Contractor Requirements.**

(a) SUBRECIPIENT shall ensure and independently verify that any contractor or other entity receiving Grant Funds from SUBRECIPIENT is not debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs, under Executive Orders 12549 and 12689, as implemented at 2 CFR Part 3000. SUBRECIPIENT shall obtain documentation of eligibility before disbursing Grant Funds to any contractor or other entity. SUBRECIPIENT shall maintain documentary proof of this verification in its files. SUBRECIPIENT shall establish procedures for the effective use of the "Excluded Parties List System," to assure that it does not provide Grant Funds to excluded parties. SUBRECIPIENT shall also establish procedures to provide for effective use and/or dissemination of the list to assure that its contractors, at any tier do not make awards in violation of the non-procurement debarment and suspension common rule.

(b) SUBRECIPIENT shall ensure that any contractor or other entity receiving Grant Funds from SUBRECIPIENT complies with the requirements of 44 CFR Part 18, *New Restrictions on Lobbying*; and

(c) SUBRECIPIENT shall ensure that any contractor or other entity receiving Grant Funds from SUBRECIPIENT complies with the requirements of 2 CFR Part 3001, *Requirements for Drug-Free Workplace (Financial Assistance)*.

### 3.9 **Monitoring Grant Performance.**

(a) City and the UASI Management Team are both authorized to perform periodic monitoring reviews of SUBRECIPIENT's performance under this Agreement, to ensure that the Grant Plan goals, objectives, performance requirements, timelines, milestone completion, budgets and other criteria are being met. Programmatic monitoring may include the Regional Federal Preparedness Coordinators, or other federal or state personnel, when appropriate. Monitoring may involve a combination of desk-based reviews and on-site monitoring visits, inspection of records, and verifications of grant activities. These reviews will involve a review and analysis of the financial, programmatic, performance and administrative issues relative to each program and will identify areas where technical assistance and other support may be needed. The reviews may include, but are not limited to:

1. Evaluating eligibility of expenditures;
2. Comparing actual grant activities to those approved by the Approval Authority and specified in the Grant Plan;
3. Ensuring that any advances have been deposited in an interest bearing account and disbursed in accordance with applicable guidelines; and
4. Confirming compliance with: Grant Assurances; information provided on performance reports and payment requests; and needs and threat assessments and strategies.

(b) SUBRECIPIENT is responsible for monitoring and auditing the grant activities of any contractor or other entity receiving Grant Funds through or from SUBRECIPIENT. This requirement includes but is not limited to mandatory on-site verification visits.

(c) If after any monitoring review, the DHS or Cal OES makes findings that require a Corrective Action Plan by SUBRECIPIENT, the City shall place a hold on all Reimbursement Requests from SUBRECIPIENT until the findings are resolved.

3.10 **Disbursement Procedures.** San Diego shall disburse Grant Funds to SUBRECIPIENT as follows:

(a) SUBRECIPIENT shall submit to the UASI Management Team, in the manner specified for notices pursuant to Article 9, a document ("Reimbursement Request") substantially in the form attached as Appendix C, attached hereto and incorporated by reference as though fully set forth herein. The UASI Management Team shall serve as the primary contact for SUBRECIPIENT regarding any Reimbursement Request.

(b) The UASI Management Team will review all Reimbursement Requests for compliance with this Agreement and all applicable guidelines and requirements. The UASI Management Team will return to SUBRECIPIENT any Reimbursement Request that is submitted and not approved by the UASI Management Team, with a brief statement of the reason for the rejection of the Reimbursement Request.

(d) If a rejection relates only to a portion of the expenditures itemized in any Reimbursement Request, City shall have no obligation to disburse any Grant Funds for any other expenditures itemized in such Reimbursement Request unless and until SUBRECIPIENT submits a Reimbursement Request that is in all respects acceptable to the UASI Management Team.

(e) If SUBRECIPIENT is not in compliance with any provision of this Agreement, City may withhold disbursement of Grant Funds until SUBRECIPIENT has taken corrective action and currently complies with all terms and conditions of the Agreement.



3.11 **Disallowance.** SUBRECIPIENT agrees that if it claims or receives reimbursement from City for an expenditure that is later disallowed by the State of California or the federal government, SUBRECIPIENT shall promptly refund the disallowed amount to City upon City's written request. At its option, City may offset all or any portion of the disallowed amount against any other payment due to SUBRECIPIENT hereunder or under any other Agreement with SUBRECIPIENT. Any such offset with respect to a portion of the disallowed amount shall not release SUBRECIPIENT from SUBRECIPIENT's obligation hereunder to refund the remainder of the disallowed amount.

3.12 **Sustainability.** Grant Funded programs that contain continuing personnel and operating expenses, over and above planning and implementation costs, must be sustained once the Grant Funding ends. If Equipment is purchased with grant funds the equipment must be sustained through the useful life of equipment. By executing this Agreement, SUBRECIPIENT acknowledges its responsibility and agrees to sustain continuing programs beyond the Grant Funding period. SUBRECIPIENT acknowledges and agrees that this sustainability requirement is a material term of the Agreement.

3.13 **EHP Requirements.**

(a) Grant Funded projects must comply with the federal Environmental and Historic Preservation ("EHP") program. SUBRECIPIENT shall not initiate any project with the potential to impact environmental or historic properties or resources until Cal OES and FEMA have completed EHP reviews and approved the project. Examples of projects that may impact EHP resources include: communications towers, physical security enhancements, new construction, and modifications to buildings, structures and objects that are 50 years old or greater. SUBRECIPIENT shall notify the UASI Management Team of any project that may require an EHP review. SUBRECIPIENT agrees to provide detailed project information to FEMA, Cal OES and/or the UASI Management Team, to cooperate fully in the review, and to prepare any documents requested for the review. SUBRECIPIENT shall comply with all conditions placed on the project as the result of the EHP review, and implement any treatment or mitigation measures deemed necessary to address potential adverse impacts. With prior approval of the UASI Management Team, SUBRECIPIENT may use Grant Funds toward the costs of preparing documents and/or implementing treatment or mitigation measures. Any change to the approved project scope of work will require re-evaluation for compliance with EHP requirements. If ground disturbing activities occur during project implementation, SUBRECIPIENT shall notify the UASI Management Team and ensure monitoring of ground disturbance. If any potential archeological resources are discovered, SUBRECIPIENT shall immediately cease construction in that area and notify the UASI Management Team, which will notify the appropriate State Historic Preservation Office. If SUBRECIPIENT is using Grant Funds for a communication tower project, SUBRECIPIENT shall complete its Federal Communication Commission ("FCC") EHP process before preparing its Cal OES/FEMA EHP materials, and shall include the FCC EHP materials in the Cal OES/FEMA submission.

(b) Any construction or other project that SUBRECIPIENT initiates without the necessary EHP review and approval will not be eligible for reimbursement. Failure of SUBRECIPIENT to meet federal, State, and local EHP requirements, obtain applicable permits, or comply with any conditions that may be placed on the project as the result of FEMA's and/or Cal OES's EHP review will result in the denial of Reimbursement Requests.

3.14 **National Energy Conservation Policy and Energy Policy Acts.** SUBRECIPIENT shall comply with the following requirements:

(a) Grant Funds may not be used in contravention of the Federal buildings performance and reporting requirements of Executive Order 13123, part 3 of Title V of the National Energy Conservation Policy Act (42 USC §8251 et seq.), or Subtitle A of Title I of the Energy Policy Act of 2005; and

(b) Grant Funds may not be used in contravention of Section 303 of the Energy Policy Act of 1992 (42 USC §13212).

3.15 **Royalty-Free License.** SUBRECIPIENT understands and agrees that FEMA reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and authorize others to use, for federal government purposes: (a) the copyright in any work developed using Grant Funds; and (b) any rights of copyright that SUBRECIPIENT purchases or acquires using Grant Funds. SUBRECIPIENT shall consult with the UASI Management Team and FEMA regarding the allocation of any patent rights that arise from, or are purchased with, Grant Funds.

3.16 **Publication Statements.** SUBRECIPIENT shall ensure that all publications created or developed under this Agreement prominently contain the following statement: "This document was prepared under a grant from the Federal Emergency Management Agencies Grant Programs Directorate (FEMA/GPD) within the US Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of FEMA/GPD or the US Department of Homeland Security."

3.17 **Performance Period.** SUBRECIPIENT shall ensure that hard copies of all reimbursement requests and supporting documentation will be submitted to the UASI Management Team postmarked no later than the Reimbursement Claim Due Date identified in the Subrecipient Award Letter (Attachment A). Extension requests may be granted based on extenuating circumstances beyond the control of the subrecipient and must be made via the Performance Period Extension Request Form (Appendix D). Requests must contain specific and compelling justifications as to why an extension is required and must be submitted 30 days prior to the current deadline.

#### **ARTICLE 4 REPORTING REQUIREMENTS; AUDITS**

4.1 **Regular Reports.** SUBRECIPIENT shall provide, in a prompt and timely manner, financial, operational and other reports, as requested by the UASI Management Team, in form and substance satisfactory to the UASI Management Team. Such reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages, to the maximum extent possible.

4.2 **Notification of Defaults or Changes in Circumstances.** SUBRECIPIENT shall notify the UASI Management Team and City immediately of (a) any Event of Default or event that, with the passage of time, would constitute an Event of Default; (b) any change of circumstances that would cause any of the representations or warranties contained in Article 5 to be false or misleading at any time during the term of this Agreement; and (c) any change of circumstances or events that would cause SUBRECIPIENT to be out of compliance with the Grant Assurances in Appendix B.

4.3 **Books and Records.** SUBRECIPIENT shall establish and maintain accurate files and records of all aspects of the Grant Plan and the matters funded in whole or in part with Grant Funds. Without limiting the scope of the foregoing, SUBRECIPIENT shall establish and maintain accurate financial books and accounting records relating to Authorized Expenditures and to Grant Funds received and expended under this Agreement, together with all invoices, documents, payrolls, time records and other data related to the matters covered by this Agreement, whether funded in whole or in part with Grant Funds. SUBRECIPIENT shall maintain all of the files, records, books, invoices, documents, payrolls and other data required to be maintained under this Section in a readily accessible location and condition for a period of not less than three (3) years after expiration of this Agreement or until any final audit by Cal OES has been fully completed, whichever is later.

4.4 **Inspection and Audit.** SUBRECIPIENT shall make available to the UASI Management Team, and to UASI Management Team and City employees and authorized representatives, during regular business hours, all of the files, records, books, invoices, documents, payrolls and other data required to be established and maintained by SUBRECIPIENT under Section 4.3, and allow access and the right to examine those items. SUBRECIPIENT shall permit the UASI Management Team and City, and UASI Management Team and City employees and authorized representatives, to inspect, audit, examine and make excerpts and transcripts from any of the foregoing. The rights of the UASI Management Team and City pursuant to this Section shall remain in effect so long as SUBRECIPIENT has the obligation to maintain such files, records, books, invoices, documents, payrolls and other data under this Article 4. The DHS, the Comptroller General of the United States or designee, and Cal OES shall have the same inspection and audit rights as the City and UASI Management Team. SUBRECIPIENT shall cooperate with any federal or state audit.

4.5 **Audit Report.** If the amount specified in Section 3.2 of this agreement is \$750,000 or more, SUBRECIPIENT shall submit an organization-wide financial and compliance audit report. The audit must be performed in accordance with GAO's *Government Auditing Standards*, and 2 CFR Part 200 Subpart F - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. SUBRECIPIENT shall submit its audit report to the UASI Management Team no later than six months after the end of SUBRECIPIENT's fiscal year.

## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

SUBRECIPIENT represents and warrants each of the following as of the date of this Agreement and at all times throughout the term of this Agreement:

5.1 **No Misstatements.** No document furnished or to be furnished by SUBRECIPIENT to the UASI Management Team in connection with this Agreement, any Reimbursement Request or any other document relating to any of the foregoing, contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

5.2 **Eligibility to Receive Federal Funds.** By executing this Agreement, SUBRECIPIENT certifies that it is eligible to receive federal funds, and specifically certifies as follows:

(a) SUBRECIPIENT is not suspended, debarred or otherwise excluded from participation in federal assistance programs, as required by Executive Order 12549 and 12689, "Debarment and Suspension" and implemented at 2 CFR Part 3000.

(b) SUBRECIPIENT complies with 31 U.S.C. §1352, *Limitation on use of appropriated funds to influence federal contracting and financial transactions*, as implemented at 44 CFR Part 18 and 6 CFR Part 9.

(c) SUBRECIPIENT complies with the Drug-Free Workplace Act of 1988, as amended, 41 U.S.C. §701 et seq., as implemented in 2 CFR Part 3001, and will continue to provide a drug-free workplace as required under that Act and implementing regulations.

(d) SUBRECIPIENT is not delinquent in the repayment of any federal debt. See OMB Circular A-129.

SUBRECIPIENT acknowledges that these certifications of eligibility to receive federal funds are material terms of the Agreement.



5.3 **NIMS Compliance.** To be eligible to receive Grant Funds, SUBRECIPIENT must meet National Incident Management System ("NIMS") compliance requirements. By executing this Agreement, SUBRECIPIENT certifies that it is in full NIMS compliance. SUBRECIPIENT acknowledges that this certification is a material term of the Agreement.

## **ARTICLE 6 INDEMNIFICATION AND GENERAL LIABILITY**

6.1 **Indemnification.** SUBRECIPIENT shall indemnify, protect, defend and hold harmless each of the Indemnified Parties from and against any and all Losses arising from, in connection with or caused by SUBRECIPIENT's performance of this Agreement, including, but not limited to, the following: (a) a material breach of this Agreement by SUBRECIPIENT; (b) a material breach of any representation or warranty of SUBRECIPIENT contained in this Agreement; (c) any personal injury or death caused, directly or indirectly, by any act or omission of SUBRECIPIENT or its employees or agents; (d) any loss of or damage to property caused, directly or indirectly, by any act or omission of SUBRECIPIENT or its employees or agents; (e) the use, misuse or failure of any equipment or facility used by SUBRECIPIENT, or by any of its employees or agents, regardless of whether such equipment or facility is furnished, rented or loaned to SUBRECIPIENT by an Indemnified Party; (f) any tax, fee, assessment or other charge for which SUBRECIPIENT is responsible under Section 10.4; or (g) any infringement of patent rights, copyright, trade secret or any other proprietary right or trademark of any person or entity in consequence of the use by any Indemnified Party of any goods or services furnished by SUBRECIPIENT or its employees or agents to such Indemnified Party in connection with this Agreement. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and San Diego's costs of investigating any claims against San Diego.

6.2 **Duty to Defend; Notice of Loss.** SUBRECIPIENT acknowledges and agrees that its obligation to defend the Indemnified Parties under Section 6.1: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of Section 6.1, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to SUBRECIPIENT by the Indemnified Party and continues at all times thereafter. The Indemnified Party shall give SUBRECIPIENT prompt notice of any Loss under Section 6.1 and SUBRECIPIENT shall have the right to defend, settle and compromise any such Loss; provided, however, that the Indemnified Party shall have the right to retain its own counsel at the expense of SUBRECIPIENT if representation of such Indemnified Party by the counsel retained by SUBRECIPIENT would be inappropriate due to conflicts of interest between such Indemnified Party and SUBRECIPIENT. An Indemnified Party's failure to notify SUBRECIPIENT promptly of any Loss shall not relieve SUBRECIPIENT of any liability to such Indemnified Party pursuant to Section 6.1, unless such failure materially impairs SUBRECIPIENT's ability to defend such Loss. SUBRECIPIENT shall seek the Indemnified Party's prior written consent to settle or compromise any Loss if SUBRECIPIENT contends that such Indemnified Party shares in liability with respect thereto.

6.3 **Incidental and Consequential Damages.** Losses covered under this Article 6 shall include any and all incidental and consequential damages resulting in whole or in part from SUBRECIPIENT's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that any Indemnified Party may have under applicable law with respect to such damages.

6.4 **LIMITATION ON LIABILITY OF SAN DIEGO.** CITY'S OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF GRANT FUNDS ACTUALLY DISBURSED HEREUNDER. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED IN THIS AGREEMENT OR ANY OTHER DOCUMENT OR COMMUNICATION

RELATING TO THIS AGREEMENT, IN NO EVENT SHALL CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE GRANT FUNDS, THE GRANT PLAN OR ANY ACTIVITIES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

#### ARTICLE 7

##### EVENTS OF DEFAULT AND REMEDIES; TERMINATION FOR CONVENIENCE

7.1 **Events of Default.** The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Agreement:

(a) **False Statement.** Any statement, representation, certification or warranty contained in this Agreement, in any Reimbursement Request, or in any other document submitted to the UASI Management Team or to City under this Agreement is found by the UASI Management Team or by City to be false or misleading.

(b) **Failure to Perform Other Covenants.** SUBRECIPIENT fails to perform or breaches any provision or covenant of this Agreement to be performed or observed by SUBRECIPIENT as and when performance or observance is due and such failure or breach continues for a period of ten (10) days after the date on which such performance or observance is due.

(c) **Failure to Comply with Applicable Laws.** SUBRECIPIENT fails to perform or breaches any of the terms or provisions of Article 12.

(d) **Voluntary Insolvency.** SUBRECIPIENT(i) is generally not paying its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of SUBRECIPIENT or of any substantial part of SUBRECIPIENT's property or (v) takes action for the purpose of any of the foregoing.

(e) **Involuntary Insolvency.** Without consent by SUBRECIPIENT, a court or government authority enters an order, and such order is not vacated within ten (10) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to SUBRECIPIENT or with respect to any substantial part of SUBRECIPIENT's property, (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (iii) ordering the dissolution, winding-up or liquidation of SUBRECIPIENT.

7.2 **Remedies upon Event of Default.** Upon and during the continuance of an Event of Default, City may do any of the following, individually or in combination with any other remedy:

(a) **Termination.** City may terminate this Agreement by giving a written termination notice to SUBRECIPIENT and, on the date specified in such notice, this Agreement shall terminate and all rights of SUBRECIPIENT hereunder shall be extinguished. In the event of such termination, City will pay SUBRECIPIENT for Authorized Expenditures in any Reimbursement Request that was submitted and approved by the UASI Management Team and by City prior to the date of termination specified in such notice.

(b) **Withholding of Grant Funds.** City may withhold all or any portion of Grant Funds not yet disbursed hereunder, regardless of whether SUBRECIPIENT has previously submitted a Reimbursement Request or whether the UASI Management Team and/or City has approved the disbursement of the Grant Funds requested in any Reimbursement Request. Any Grant Funds withheld pursuant to this Section and subsequently disbursed to SUBRECIPIENT after cure of applicable Events of Default shall be disbursed without interest.

(c) **Return of Grant Funds.** City may demand the immediate return of any previously disbursed Grant Funds that have been claimed or expended by SUBRECIPIENT in breach of the terms of this Agreement, together with interest thereon from the date of disbursement at the maximum rate permitted under applicable law.

### 7.3 **Termination for Convenience.**

(a) City shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. City shall exercise this option by giving SUBRECIPIENT written notice of termination. The notice shall specify the date on which termination shall become effective.

(b) Upon receipt of the notice, SUBRECIPIENT shall commence and perform, with diligence, all actions necessary on the part of SUBRECIPIENT to effect the termination of this Agreement on the date specified by City and to minimize the liability of SUBRECIPIENT and City to third parties as a result of termination. All such actions shall be subject to the prior approval of the UASI Management Team.

(c) Within 30 days after the specified termination date, SUBRECIPIENT shall submit to the UASI Management Team an invoice for all Authorized Expenses incurred through the termination date. For Authorized Expenses incurred after receipt of the notice of termination, City will only reimburse SUBRECIPIENT if the Authorized Expenses received prior approval from the UASI Management Team as specified in subparagraph (b).

(d) In no event shall City be liable for costs incurred by SUBRECIPIENT or any of its contractors after the termination date specified by City.

(e) City's payment obligation under this Section shall survive termination of this Agreement.

7.4 **Remedies Nonexclusive.** Each of the remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The remedies contained herein are in addition to all other remedies available to City at law or in equity by statute or otherwise and the exercise of any such remedy shall not preclude or in any way be deemed to waive any other remedy.

## ARTICLE 8 ASSIGNMENTS

8.1 **No Assignment by SUBRECIPIENT.** SUBRECIPIENT shall not, either directly or indirectly, assign, transfer, hypothecate, subcontract or delegate all or any portion of this Agreement or any rights, duties or obligations of SUBRECIPIENT hereunder without the prior written consent of the UASI Management Team. This Agreement shall not, nor shall any interest herein, be assignable as to the interest of SUBRECIPIENT involuntarily or by operation of law without the prior written consent of City. A change of ownership or control of SUBRECIPIENT or a sale or transfer of substantially all of the assets of SUBRECIPIENT shall be deemed an assignment for purposes of this Agreement.

8.2 **Agreement Made in Violation of this Article.** Any agreement made in violation of Section 8.1 shall confer no rights on any person or entity and shall automatically be null and void.

8.3 **SUBRECIPIENT Retains Responsibility.** SUBRECIPIENT shall in all events remain liable for the performance by any contractor, or assignee of all of the covenants, terms and conditions in this Agreement.

## ARTICLE 9 NOTICES AND OTHER COMMUNICATIONS

9.1 **Requirements.** Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communications hereunder shall be in writing, shall be addressed to the person and address set forth below and shall be (a) deposited in the U.S. mail, first class, certified with return receipt requested and with appropriate postage, (b) hand delivered or (c) sent via facsimile (if a facsimile number is provided below):

If to City of San Diego Office of Homeland Security UASI Management Team:

San Diego Office of Homeland Security  
1010 Second Ave, Suite 1500  
San Diego, CA 92101  
Attn: Katherine Jackson, Program Manager  
Facsimile No.: (619) 533-6786

If to SUBRECIPIENT:

City of National City  
343 E. 16<sup>th</sup> Street  
National City, CA 91950  
Attn: Walter Amedee  
Facsimile No.: (619) 336-4556

9.2 **Effective Date.** All communications sent in accordance with Section 9.1 shall become effective on the date of receipt. Such date of receipt shall be determined by: (a) if mailed, the return receipt, completed by the U.S. postal service; (b) if sent via hand delivery, a receipt executed by a duly authorized agent of the party to whom the notice was sent; or (c) if sent via facsimile, the date of telephonic confirmation of receipt by a duly authorized agent of the party to whom the notice was sent or, if such confirmation is not reasonably practicable, the date indicated in the facsimile machine transmission report of the party giving such notice.

9.3 **Change of Address.** From time to time any party hereto may designate a new address or recipient for notice for purposes of this Article 9 by written notice to the other party and the UASI Management Team.

## ARTICLE 10 MISCELLANEOUS

10.1 **No Waiver.** No waiver by San Diego of any default or breach of this Agreement shall be implied from any failure by the UASI Management Team or San Diego to take action on account of such default if such default persists or is repeated. No express waiver by San Diego shall affect any default other than



the default specified in the waiver and shall be operative only for the time and to the extent therein stated. Waivers by San Diego of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the UASI Management Team of any action requiring further consent or approval shall not be deemed to waive or render unnecessary the consent or approval to or of any subsequent similar act.

10.2 **Modification.** This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement; provided, however, that the Executive Director or designee may establish alternate procedures for modification of the Grant Plan.

10.3 **Governing Law; Venue.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California, without regard to its conflict of laws principles. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Diego.

10.4 **SUBRECIPIENT to Pay All Taxes.** SUBRECIPIENT shall pay to the appropriate governmental authority, as and when due, any and all taxes, fees, assessments or other governmental charges, including possessory interest taxes and California sales and use taxes, levied upon or in connection with this Agreement, the Grant Plan, the Grant Funds or any of the activities contemplated by this Agreement.

10.5 **Headings.** All article and section headings and captions contained in this Agreement are for reference only and shall not be considered in construing this Agreement.

10.6 **Entire Agreement.** This Agreement sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. The following Appendices are attached to and a part of this Agreement:

- Appendix A, SUBRECIPIENT Award Letter
- Appendix B, Grant Assurances
- Appendix C, Form of Reimbursement Request
- Appendix D, Performance Period Extension Request

10.7 **Certified Resolution of Signatory Authority.** Upon request of San Diego, SUBRECIPIENT shall deliver to San Diego a copy of the corporate resolution(s) authorizing the execution, delivery and performance of this Agreement, certified as true, accurate and complete by the appropriate authorized representative of SUBRECIPIENT.

10.8 **Severability.** Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

10.9 **Successors; No Third-Party Beneficiaries.** Subject to the terms of Article 8, the terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Agreement, whether express or implied, shall be construed to give any person or entity (other than the parties hereto and their respective successors and assigns and, in the case of Article 6, the Indemnified Parties) any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.



10.10 **Survival of Terms.** The obligations of SUBRECIPIENT and the terms of the following provisions of this Agreement shall survive and continue following expiration or termination of this Agreement: Sections 4.3 and 4.4, Article 6, this Article 10, and the Grant Assurances of Appendix B.

10.11 **Further Assurances.** From and after the date of this Agreement, SUBRECIPIENT agrees to do such things, perform such acts, and make, execute, acknowledge and deliver such documents as may be reasonably necessary or proper and usual to complete the transactions contemplated by this Agreement and to carry out the purpose of this Agreement in accordance with this Agreement.

10.12 **Disclosure of Subawards and Executive Compensation.** Pursuant to the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282) as amended by Section 6202(a) of the Government Funding Transparency Act of 2008 (P.L. 110-252), full disclosure to the public of entities or organizations receiving federal funds is now required. As defined by the Office of Management and Budget (OMB), all new Federal awards of \$25,000 or more as of October 1, 2010, are subject to FFATA reporting requirements. The Transparency Act definition of "Federal awards" includes not only prime awards for grantees, cooperators, and contractors, but also awards to sub-recipients. If applicable, SUBRECIPIENT must provide the following information on SUBRECIPIENT letterhead within 30 days of receipt of this Agreement.

1. The Total compensation and names of the top five executives if:
  - a) 80% or more of annual gross revenues are from Federal awards (contracts, sub-contracts and Federal financial assistance), and \$25,000,000 or more in annual gross revenues from Federal awards; and,
  - b) Compensation information is not already available through reporting to the Securities and Exchange Commission.

10.13 **Cooperation with UASI Programs and Activities.**

(a) Subject to reasonable terms and conditions, SUBRECIPIENT agrees to participate in UASI-sponsored exercises, and to make available equipment acquired with Grant Funds for use as part of such exercises.

(b) To the extent permitted by law, SUBRECIPIENT agrees to share with the Approval Authority informational work products (such as plans, reports, data, etc.) created or acquired using Grant Funds.

(c) To appropriately recognize the regional collaborative nature of grant funded planning projects, all groups, individuals and jurisdictions who contributed to and/or participated in the planning process shall be properly and clearly acknowledged in the final deliverable.

## **ARTICLE 11 INSURANCE**

11.1 **Types and Amounts of Coverage.** Without limiting SUBRECIPIENT's liability pursuant to Article 6 of this Agreement, SUBRECIPIENT shall maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(a) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than \$1,000,000 each accident, injury, or illness; and

(b) Commercial General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(c) Commercial Automobile Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

**11.2 Additional Requirements for General and Automobile Coverage.** Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(a) Name as Additional Insured the City and County of San Diego, its Officers, Agents, and Employees.

(b) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

**11.3 Additional Requirements Regarding Workers' Compensation.** Regarding Workers' Compensation, SUBRECIPIENT hereby agrees to waive subrogation which any insurer of SUBRECIPIENT may acquire from SUBRECIPIENT by virtue of the payment of any loss. SUBRECIPIENT agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the SUBRECIPIENT, its employees, agents and subcontractors.

**11.4 Additional Requirements for All Policies.** All policies shall provide thirty days' advance written notice to the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the City address in Article 9, Notices and Other Communications.

**11.5 Required Post-Expiration Coverage.** Should any of the required insurance be provided under a claims-made form, SUBRECIPIENT shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the Agreement term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

**11.6 General Annual Aggregate Limit/Inclusion of Claims Investigation or Legal Defense Costs.** Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

**11.7 Lapse in Insurance.** Should any required insurance lapse during the term of this Agreement, requests for reimbursement originating after such lapse may not be processed, in the City's sole discretion, until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

11.8 **Evidence of Insurance.** Before commencing any operations or expending any Grant Funds under this Agreement, SUBRECIPIENT shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

11.9 **Effect of Approval.** Approval of the insurance by City shall not relieve or decrease the liability of SUBRECIPIENT hereunder.

11.10 **Insurance for Subcontractors and Evidence of this Insurance.** If a subcontractor will be used to complete any portion of this Agreement, SUBRECIPIENT shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Diego, its officers, agents and employees and the SUBRECIPIENT as additional insureds.

11.11 **Authority to Self-Insure.** Nothing in this Agreement shall preclude SUBRECIPIENT from self-insuring all or part of the insurance requirement in this Article. However, SUBRECIPIENT shall provide proof of self-insurance, in a form acceptable to San Diego, in the amounts of each line of self-insurance.

## **ARTICLE 12 COMPLIANCE**

12.1 **Nondiscrimination.** In the performance of this Agreement, SUBRECIPIENT agrees not to discriminate against any employee, San Diego employee working with SUBRECIPIENT, applicant for employment with SUBRECIPIENT, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

12.2 **Conflict of Interest.** Through its execution of this Agreement, SUBRECIPIENT acknowledges that it is familiar with the provisions of Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify City if it becomes aware of any such fact during the term of this Agreement. SUBRECIPIENT agrees that it will promptly notify City in writing of all violations of State or Federal criminal law involving fraud, bribery, or gratuities affecting or involving the use of Grant Funds.

12.3 **Compliance with ADA.** SUBRECIPIENT acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity to the public, whether directly or through a grantee or contractor, must be accessible to the disabled public. SUBRECIPIENT shall not discriminate against any person protected under the ADA in connection with all or any portion of the Grant Plan and shall comply at all times with the provisions of the ADA.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first specified herein.

CITY OF SAN DIEGO:

CITY OF NATIONAL CITY:

By:

By:

\_\_\_\_\_  
KATHERINE JACKSON  
PROGRAM MANAGER  
OFFICE OF HOMELAND SECURITY

\_\_\_\_\_  
RON MORRISON  
MAYOR

Federal Tax ID #: 95-6000749

**Approved as to Form:**

Mara W. Elliott  
City Attorney

**Approved as to Form:**

By:

By:

\_\_\_\_\_  
Deputy City Attorney

\_\_\_\_\_  
Angil P. Morris-Jones  
City Attorney



Appendix A — SUBRECIPIENT Award Letter  
THE CITY OF SAN DIEGO

November 14, 2017

Ron Morrison  
Mayor  
City of National City  
1243 National City Blvd  
National City, CA 91950

**SUBJECT: NOTIFICATION OF SUBRECIPIENT AWARD APPROVAL**  
FY 2017 Homeland Security Grant Program  
Grant# 2017-0083 Cal OES ID# 073-66000  
Sub-recipient Performance Period: September 1, 2017, to December 31, 2019

Sub-recipient:

The San Diego Office of Homeland Security (SD OHS) has approved your FY17 Urban Area Security Initiative (UASI) award.

Activities:	Amount:	Reimbursement Claim Due Date:
<b>All Projects</b>	<b>\$76,134</b>	
Project A – Risk Management and Planning	\$10,000	March 31, 2019
Project B – Info Analysis & Infrastructure Protection	\$	March 31, 2019
Project C – CBRNE	\$48,591	March 31, 2019
Project D – Interoperable Communications	\$	March 31, 2019
Project E – Community Prep and Mass Care	\$	March 31, 2019
Project F – Training Participation	\$17,543	March 31, 2019
Project F – Training Conduct	\$	March 31, 2019

During the application process, the Regional Technology Partnership (RTP) vetted and the Urban Area Working Group (UAWG) approved your project(s). Throughout the grant cycle, SD OHS will use performance milestones set in the HSGP application as indicators of performance and this information may be used in assessing future competitive grant applications. All activities funded with this award must be completed within the sub-recipient performance period.

You are required to comply with all applicable federal, state, and local environmental and historic preservation (EHP) requirements. Additionally, Aviation/Watercraft requests, projects requiring EHP review, and sole source procurement requests require additional approvals from the California Governor's Office of Emergency Services (Cal OES). Sub-recipients must obtain written approval for these activities prior to incurring any costs, in order to be reimbursed for any related costs under this grant. Sub-recipients are also required to obtain a performance bond prior to the purchase of any equipment item over \$250,000, including any aviation or watercraft financed with homeland security

**Office of Homeland Security**

1010 Second Avenue, Suite 1500 • San Diego, California 92101  
Tel (619) 533-6760 Fax (619) 533-6786



City of National City  
November 14, 2017  
Page 2

dollars. Performance bonds must be submitted to your UASI Program Representative no later than the time of reimbursement.

Following acceptance of this award, you must sign and return the SD OHS Memorandum of Understanding (MOU) as well as the Cal OES grant assurances. Once your completed MOU and Grant Assurances are signed and received in our office, you may request reimbursement of eligible grant expenditures.

Your agency must coordinate with SD OHS to prepare and submit quarterly projections and milestone reporting via email so that SD OHS can comply with the semi-annual BSIR reporting for the duration of the grant period or until you complete all activities and the grant is formally closed. Failure to submit required reports could result in grant reduction, suspension, or termination.

This grant is subject to all provisions of 2 CFR Part 200. Any funds received in excess of current needs, approved amounts, or those found owed as a result of a final review or audit, must be refunded to SD OHS within 30 days upon receipt of an invoice from SD OHS.

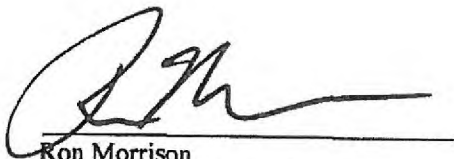
Your dated signature is required on this letter. Please sign and return the original to your UASI Program Representative at 1010 2<sup>nd</sup> Ave Ste. 1500, San Diego, CA 92101 within 20 days of receipt and keep a copy for your files.

For further assistance, please feel free to contact your SD OHS UASI Program Representative at (619) 533-6760.

Sincerely,



Katherine Jackson  
Program Manager  
City of San Diego Office of Homeland Security



Ron Morrison  
Mayor, City of National City

1/30/2018  
Date

## Appendix B-- Grant Assurances

Name of Jurisdiction: City of National City  
Name of Authorized Agent: Walter Amedee Address: 343 E. 16th Street  
City: National City State: California Zip Code: 91950  
Telephone Number: (619) 336-4556  
Fax Number: (619) 336-4328 E-Mail Address: wamedee@nationalcityca.gov

**As the duly authorized representative of the Applicant, I hereby certify** that the Applicant has the legal authority to apply for federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay any non-federal share of project cost) to ensure proper planning, management and completion of the project described in this application, within prescribed timelines.

**I further acknowledge that the Applicant is responsible for reviewing and adhering to all requirements within the:**

- (a) Applicable Federal Regulations (see below);
- (b) Federal Program Notice of Funding Opportunity (NOFO);
- (c) California Supplement to the NOFO; and
- (d) Federal and State Grant Program Guidelines.

### Federal Regulations

Government cost principles, uniform administrative requirements and audit requirements for federal grant programs are set forth in Title 2, Part 200 of the Code of Federal Regulations (C.F.R.). Updates are issued by the Office of Management and Budget (OMB) and can be found at <http://www.whitehouse.gov/omb/>.

**Significant state and federal grant award requirements (some of which appear in the documents listed above) are set forth below. The Applicant hereby agrees to comply with the following:**

#### 1. Proof of Authority

The Applicant will obtain written authorization from the city council, governing board or authorized body in support of this project. This written authorization must specify that the Applicant and the city council, governing board, or authorized body agree:

- (a) To provide all matching funds required for the grant project and that any cash match will be appropriated as required.
- (b) Any liability arising out of the performance of this agreement shall be the responsibility of the Applicant and the city council, governing board or authorized body.
- (c) Grant funds shall not be used to supplant expenditures controlled by the city council, governing board or authorized body; and
- (d) The official executing this agreement is, in fact, authorized to do so.

This Proof of Authority must be maintained on file and readily available upon request.

**2. Period of Performance**

The Applicant will initiate work after approval of the award and complete all work within the period of performance specified in the grant.

**3. Lobbying and Political Activities**

As required by Section 1352, Title 31 of the United States Code (U.S.C.), for persons entering into a contract, grant, loan or cooperative agreement from an agency or requests or receives from an agency a commitment providing for the United States to insure or guarantee a loan, the Applicant certifies that:

- (a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
- (b) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The Applicant will also comply with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and §§7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with federal funds.

Finally, the Applicant agrees that federal funds will not be used, directly or indirectly, to support the enactment, repeal, modification or adoption of any law, regulation or policy without the express written approval from the California Governor's Office of Emergency Services (Cal OES) or the federal awarding agency.

**4. Debarment and Suspension**

As required by Executive Orders 12549 and 12689, and 2 C.F.R. §200.212 and codified in 2 C.F.R. Part 180, Debarment and Suspension, the Applicant will provide protection against waste, fraud, and abuse by debarring or suspending those persons deemed irresponsible in their dealings with the federal government. The Applicant certifies that it and its principal, subgrantees, recipients or subrecipients:



- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
- (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (2)(b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transaction (federal, state, or local) terminated for cause or default.

Where the Applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

#### **5. Non-Discrimination and Equal Employment Opportunity**

The Applicant will comply with all federal statutes relating to non-discrimination. These include, but are not limited to, the following:

- (a) Title VI of the Civil Rights Act of 1964 (Public Law (P.L.) 88-352 and 42 U.S.C. §2000d et. seq.) which prohibits discrimination on the basis of race, color, or national origin and requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with limited English proficiency (LEP) to their programs and services;
- (b) Title IX of the Education Amendments of 1972, (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex in any federally funded educational program or activity;
- (c) Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. §794), which prohibits discrimination against those with disabilities or access and functional needs;
- (d) Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability and requires buildings and structures be accessible to those with disabilities and access and functional needs (42 U.S.C. §§ 12101-12213.);
- (e) Age Discrimination Act of 1975, (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age;
- (f) Public Health Service Act of 1912 (42 U.S.C. §§ 290), relating to confidentiality of patient records regarding substance abuse treatment;
- (g) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §3601 et seq.), relating to nondiscrimination in the sale, rental or financing of housing as implemented by the Department of Housing and Urban Development at 24 C.F.R. Part 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—i.e., the public and common use areas and individual apartment units

- (all units in buildings with elevators and ground-floor units in buildings without elevators)—be designed and constructed with certain accessible features (See 24 C.F.R. § 100.201); ;
- (h) Executive Order 11246, which prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in Government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin;
  - (i) Executive Order 11375, which bans discrimination on the basis of race, color, religion, sex, sexual orientation, gender identification, or national origin in hiring and employment in both the United States federal workforce and on the part of government contractors;
  - (j) California Public Contract Code §10295.3, which prohibits discrimination based on domestic partnerships and those in same sex marriages;
  - (k) DHS policy to ensure the equal treatment of faith-based organizations, under which all applicants and recipients must comply with equal treatment policies and requirements contained in 6 C.F.R. Part 19;
  - (l) Any other nondiscrimination provisions in the specific statute(s) under which application for federal assistance is being made; and
  - (m) The requirements of any other nondiscrimination statute(s) which may apply to the application.

In addition to the items listed in (a) through (m), the Applicant will comply with California's Fair Employment and Housing Act (FEHA). FEHA prohibits harassment and discrimination in employment because of ancestry, familial status, race, color, religious creed (including religious dress and grooming practices), sex (which includes pregnancy, childbirth, breastfeeding and medical conditions related to pregnancy, childbirth, or breastfeeding), gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, mental and physical disability, genetic information, medical condition, age, pregnancy, denial of medical and family care leave, or pregnancy disability leave (California Government Code §§ 12940, 12945, 12945.2), military and veteran status, and/or retaliation for protesting illegal discrimination related to one of these categories, or for reporting patient abuse in tax supported institutions.

## **6. Drug-Free Workplace**

As required by the Drug-Free Workplace Act of 1988 (41 U.S.C. §701 et seq.), the Applicant certifies that it will maintain a drug-free workplace and a drug-free awareness program as outlined in the Act.

## **7. Environmental Standards**

The Applicant will comply with state and federal environmental standards, which may be prescribed pursuant to the following, as applicable:

- (a) California Environmental Quality Act (CEQA) (California Public Resources Code §§ 21000-21177), to include coordination with the city or county planning agency;
- (b) CEQA Guidelines (California Code of Regulations, Title 14, Division 6, Chapter 3, §§ 15000-15387);

- (c) Federal Clean Water Act (CWA) (33 U.S.C. § 1251 et seq.), which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters;
- (d) Federal Clean Air Act of 1955 (42 U.S.C. § 7401) which regulates air emissions from stationary and mobile sources;
- (e) Institution of environmental quality control measures under the National Environmental Policy Act (NEPA) of 1969 (P.L. 91-190); the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of NEPA; and Executive Order 12898 which focuses on the environmental and human health effects of federal actions on minority and low-income populations with the goal of achieving environmental protection for all communities;
- (f) Evaluation of flood hazards in floodplains in accordance with Executive Order 11988;
- (g) Executive Order 11514 which sets forth national environmental standards;
- (h) Executive Order 11738 instituted to assure that each federal agency empowered to enter into contracts for the procurement of goods, materials, or services and each federal agency empowered to extend federal assistance by way of grant, loan, or contract shall undertake such procurement and assistance activities in a manner that will result in effective enforcement of the Clean Air Act and the Federal Water Pollution Control Act Executive Order 11990 which requires preservation of wetlands;
- (i) The Safe Drinking Water Act of 1974, (P.L. 93-523);
- (j) The Endangered Species Act of 1973, (P.L. 93-205);
- (k) Assurance of project consistency with the approved state management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.);
- (l) Conformity of Federal Actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.);
- (m) Wild and Scenic Rivers Act of 1968 (16 U.S.C. § 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.

The Applicant shall not be: 1) in violation of any order or resolution promulgated by the State Air Resources Board or an air pollution district; 2) subject to a cease and desist order pursuant to § 13301 of the California Water Code for violation of waste discharge requirements or discharge prohibitions; or 3) determined to be in violation of federal law relating to air or water pollution.

#### **8. Audits**

For subrecipients expending \$750,000 or more in federal grant funds annually, the Applicant will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and Title 2 of the Code of Federal Regulations, Part 200, Subpart F Audit Requirements.

#### **9. Access to Records**

In accordance with 2 C.F.R. §200.336, the Applicant will give the awarding agency, the Comptroller General of the United States and, if appropriate, the state, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award.

The Applicant will require any subrecipients, contractors, successors, transferees and assignees to acknowledge and agree to comply with this provision.

**10. Conflict of Interest**

The Applicant will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.

**11. Financial Management**

False Claims for Payment The Applicant will comply with 31 U.S.C §§ 3729-3733 which sets forth that no recipient shall submit a false claim for payment, reimbursement or advance.

**12. Reporting - Accountability**

The Applicant agrees to comply with applicable provisions of the Federal Funding Accountability and Transparency Act (FFATA) (P.L. 109-282), specifically (a) the reporting of subawards obligating \$25,000 or more in federal funds and (b) executive compensation data for first-tier subawards. This includes the provisions of FFATA, which includes requirements for executive compensation, and also requirements implementing the Act for the non-federal entity at 2 C.F.R. Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 C.F.R. Part 170 Reporting Subaward and Executive Compensation Information.

**13. Whistleblower Protections**

The Applicant also must comply with statutory requirements for whistleblower protections at 10 U.S.C. § 2409, 41 U.S.C. § 4712, and 10 U.S.C. § 2324, 41 U.S.C. § 4304 and § 4310.

**14. Human Trafficking**

The Applicant will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act of 2000, as amended (22 U.S.C. § 7104) which prohibits grant award recipients or a subrecipient from: (1) engaging in trafficking in persons during the period of time that the award is in effect; (2) procuring a commercial sex act during the period of time that the award is in effect; or (3) using forced labor in the performance of the award or subawards under the award.

**15. Labor Standards**

The Applicant will comply with the following federal labor standards:

- (a) The Davis-Bacon Act (40 U.S.C. §§ 276a to 276a-7), as applicable, and the Copeland Act (40 U.S.C. § 3145 and 18 U.S.C. § 874) and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally-assisted construction contracts or subcontracts; and
- (b) The Federal Fair Labor Standards Act (29 U.S.C. § 201 et al.) as they apply to employees of institutes of higher learning (IHE), hospitals and other non-profit organizations.



**16. Worker's Compensation**

The Applicant must comply with provisions which require every employer to be insured to protect workers who may be injured on the job at all times during the performance of the work of this Agreement, as per the workers compensation laws set forth in California Labor Code §§ 3700 et seq.

**17. Property-Related**

If applicable to the type of project funded by this federal award, the Applicant will:

- (a) Comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of federal participation in purchase;
- (b) Comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires subrecipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more;
- (c) Assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. § 470), Executive Order 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. § 469a-1 et seq.); and
- (d) Comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. § 4831 and 24 CFR Part 35) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.

**18. Certifications Applicable Only to Federally-Funded Construction Projects**

For all construction projects, the Applicant will:

- (a) Not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with federal assistance funds to assure nondiscrimination during the useful life of the project;
- (b) Comply with the requirements of the awarding agency with regard to the drafting, review and approval of construction plans and specifications; and
- (c) Provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.

**19. Use of Cellular Device While Driving is Prohibited**

Applicants are required to comply with California Vehicle Code sections 23123 and 23123.5. These laws prohibit driving a motor vehicle while using an electronic wireless communications device to

write, send, or read a text-based communication. Drivers are also prohibited from the use of a wireless telephone without hands-free listening and talking, unless to make an emergency call to 911, law enforcement, or similar services.

**20. California Public Records Act and Freedom of Information Act**

The Applicant acknowledges that all information submitted in the course of applying for funding under this program, or provided in the course of an entity's grant management activities that are under Federal control, is subject to the Freedom of Information Act (FOIA), 5 U.S.C. § 552, and the California Public Records Act, California Government Code section 6250 et seq. The Applicant should consider these laws and consult its own State and local laws and regulations regarding the release of information when reporting sensitive matters in the grant application, needs assessment, and strategic planning process.

**HOMELAND SECURITY GRANT PROGRAM - PROGRAM SPECIFIC ASSURANCES / CERTIFICATIONS**

**21. Reporting Accusations and Findings of Discrimination**

If during the past three years the recipient has been accused of discrimination on any basis the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS Financial Assistance Office and the DHS Office for Civil Rights and Civil Liberties (CRCL) by e-mail at [crcl@hq.dhs.gov](mailto:crcl@hq.dhs.gov) or by mail at U.S. Department of Homeland Security Office for Civil Rights and Civil Liberties, Building 410, Mail Stop #0190, Washington, D.C. 20528.

If the courts or administrative agencies make a finding of discrimination on grounds of race, color, national origin (including LEP), sex, age, disability, religion, or familial status against the recipient, or the recipients settle a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Financial Assistance Office and the CRCL by e-mail or mail at the addresses listed above.

The United States has the right to seek judicial enforcement of these obligations.

**22. Acknowledgment of Federal Funding from DHS**

All recipients must acknowledge their use of federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with federal funds.

**23. Activities Conducted Abroad**

All recipients must ensure that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

**24. Best Practices for Collection and Use of Personally Identifiable Information (PII)**

DHS defines personally identifiable information (PII) as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual. All recipients who collect PII are required to have a publically-available privacy policy that describes standards on the usage and maintenance of PII they collect. Recipients may also find the DHS Privacy Impact Assessments: Privacy Guidance and Privacy template a useful resource respectively.

**25. Copyright**

All recipients must affix the applicable copyright notices of 17 U.S.C. §§ 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.

**26. Duplication of Benefits**

Any cost allocable to a particular federal financial assistance award provided for in 2 C.F.R. Part 200, Subpart E may not be charged to other federal financial assistance awards to overcome fund deficiencies, to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions, or for other reasons. However, these prohibitions would not preclude recipients from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.

**27. Energy Policy and Conservation Act**

All recipients must comply with the requirements of 42 U.S.C. § 6201 which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

**28. Federal Debt Status**

All recipients are required to be non-delinquent in their repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowances, and benefit overpayments. See OMB Circular A-129.

**29. Fly America Act of 1974**

All recipients must comply with Preference for U.S. Flag Air Carriers: (air carriers holding certificates under 49 U.S.C. § 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. § 40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942

**30. Hotel and Motel Fire Safety Act of 1990**

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, all recipients must ensure that all conference, meeting, convention, or training space funded in whole or in part with

federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, as amended, 15 U.S.C. § 2225a.

**31. Non-supplanting Requirements**

All recipients who receive federal financial assistance awards made under programs that prohibit supplanting by law must ensure that federal funds do not replace (supplant) funds that have been budgeted for the same purpose through non-federal sources.

**32. Patents and Intellectual Property Rights**

Unless otherwise provided by law, recipients are subject to the Bayh-Dole Act, Pub. L. No. 96-517, as amended, and codified in 35 U.S.C. § 200 et seq. All recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from financial assistance awards located at 37 C.F.R. Part 401 and the standard patent rights clause located at 37 C.F.R. § 401.14.

**33. SAFECOM**

All recipients who receive federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

**34. Terrorist Financing**

All recipients must comply with Executive Order 13224 and U.S. law that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible to ensure compliance with the Order and laws.

**35. Reporting of Matters Related to Recipient Integrity and Performance**

If the total value of the recipient's currently active grants, cooperative agreements, and procurement contracts from all federal assistance offices exceeds \$10,000,000 for any period of time during the period of performance of this federal financial assistance award, you must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 C.F.R. Part 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.

**36. USA Patriot Act of 2001**

All recipients must comply with requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), which amends 18 U.S.C. §§ 175–175c.

**37. Use of DHS Seal, Logo, and Flags**

All recipients must obtain permission from their DHS Financial Assistance Office, prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.



**IMPORTANT**

The purpose of the assurance is to obtain federal and state financial assistance, including any and all federal and state grants, loans, reimbursement, contracts, etc. The Applicant recognizes and agrees that state financial assistance will be extended based on the representations made in this assurance. This assurance is binding on the Applicant, its successors, transferees, assignees, etc. Failure to comply with any of the above assurances may result in suspension, termination, or reduction of grant funds.

All appropriate documentation, as outlined above, must be maintained on file by the Applicant and available for Cal OES or public scrutiny upon request. Failure to comply with these requirements may result in suspension of payments under the grant or termination of the grant or both and the subrecipient may be ineligible for award of any future grants if the Cal OES determines that any of the following has occurred: (1) the recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

All of the language contained within this document must be included in the award documents for all subawards at all tiers. All recipients are bound by the Department of Homeland Security Standard Terms and Conditions 2017, Version 7.0, hereby incorporated by reference, which can be found at: <https://www.dhs.gov/publication/fy15-dhs-standard-terms-and-conditions>.

The undersigned represents that he/she is authorized by the Applicant to enter into this agreement for and on behalf of the said Applicant.

Applicant: City of National City

Signature of Authorized Agent: \_\_\_\_\_

Printed Name of Authorized Agent: Ron Morrison

Title: Mayor

Date: March 6, 2018

Appendix C - Form of Reimbursement Request  
REIMBURSEMENT REQUEST

City of San Diego Office of Homeland Security  
FY17 Urban Area Security Grant

Grant: FY17 UASI Grant #2017-0083  
CalOES #073-66000 CFDA #97.067

Supporting Information for Cash Request

Cash Request #\_\_\_: Requesting reimbursement in the amount of \$----- DUNS #\_\_\_\_\_

Under Penalty of Perjury I certify that:

- The total amount of funds requested pursuant to this Reimbursement Request will be used to reimburse SUBRECIPIENT for Authorized Expenditures, which expenditures are set forth on the attached Cover Sheet, to which are attached true and correct copies of all required documentation of such expenditures.
- After giving effect to the disbursement requested pursuant to this Reimbursement Request, the Funds disbursed as of the date of this disbursement will not exceed the maximum amount set forth in Appendix A of this agreement for specific projects and programs.
- The representations, warranties and certifications made in the Agreement are true and correct in all material respects as if made on the date hereof, and SUBRECIPIENT is in compliance with all Grant Assurances in Appendix B of the Agreement. Furthermore, by signing this report, SUBRECIPIENT certifies to the best of their knowledge and belief that the report is true, complete and accurate and expenditures, disbursements, and cash receipts are for the purpose and objectives set forth in the terms and conditions of the federal award. SUBRECIPIENT is aware that any false, fictitious or fraudulent information or the omission of any material fact, may subject SUBRECIPIENT to criminal civil or administrative penalties for fraud, false statements, false claims or otherwise.
- No Event of Default has occurred and is continuing.
- The undersigned is an officer of SUBRECIPIENT authorized to execute this Reimbursement Request on behalf of SUBRECIPIENT.
- This claim is for costs incurred within the grant performance period

Printed Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Title: \_\_\_\_\_

Email Address: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Remittance Address (Address  
check will be mailed to)

City of National City  
343 E. 16th Street  
National City, CA 91950

Signature \_\_\_\_\_

Date: \_\_\_\_\_

Mail Reimbursement Requests to:  
City of San Diego Office of Homeland Security  
Grants Management Section  
1222 1st Avenue, MS 501B  
San Diego, CA 92101  
FY17 UASI - SUBRECIPIENT

Appendix C - Form of Reimbursement Request  
**REIMBURSEMENT REQUEST**

**Cover Sheet (Invoice)**  
**Office of Homeland Security**  
**FY 17 Urban Area Security Initiative Grant Program**  
**Award # 2017-0083**  
**CalOES ID #073-66000 CFDA #97.067**

**Reimbursement Request (Invoice) #** \_\_\_\_\_

Mail Reimbursement Request to:

**DATE:** \_\_\_\_\_

City of San Diego  
Office of Homeland Security  
ATTN: Grants Management Section  
1222 1st Avenue, MS 501B  
San Diego, CA 92101

**AGENCY:** \_\_\_\_\_

**DUNS Number:** \_\_\_\_\_

**Expenditure Period:** \_\_\_\_\_

<b>Maximum Amount of Funds Specified in Subrecipient Award Letter:</b>	

<b>Type of Expenditure</b>	<b>Reimbursements Requested this Request</b>	<b>Total Reimbursements Requested to Date (incl. this request)</b>
<b>Equipment</b>		
<b>Training</b>		
<b>Planning</b>		
<b>Organization</b>		
<b>Exercise</b>		

For questions regarding this reimbursement request contact

**Name**

\_\_\_\_\_  
**Phone**

\_\_\_\_\_  
**Email**

\_\_\_\_\_  
**Remittance Address (Address check will be mailed to)**

**Office of Homeland Security  
FY17 Urban Area Security Initiative Grant Program  
Training/Exercise Costs Detail Worksheet**

Expenditure Period: \_\_\_\_\_  
Date: \_\_\_\_\_

[illegible]

OHS Grant: FY17 UASI Grant: #2017-0083  
CalOES #073-66000 Jurisdiction: —  
Amount \$—— Doc Ref: Reimb Rqt #—  
Training or Exercise?

CFDA #:	97.067
---------	--------

LEDGER TYPE:	Cash Request
--------------	--------------

Today's Date
--------------

Expenditure Period:	(Date) From
	(Date) To

Cash Request

***SUBMIT TO OHS ELECTRONICALLY AS WELL AS IN YOUR REIMBURSEMENT PACKET***

[illegible]

CFDA #:	97.067 HSGP
---------	-------------

LEDGER TYPE:	Cash Request
--------------	--------------

Expenditure Period:

(Date) From:	12/1/2011
--------------	-----------

Cash Request

***SUBMIT TO OHS ELECTRONICALLY AS WELL AS IN YOUR REIMBURSEMENT PACKET***

[illegible]



Appendix C - Form of Reimbursement Request  
**REIMBURSEMENT REQUEST**

Per Diem Expenses for (Employee Name)														
Date														Total
Breakfast														-
Lunch														-
Dinner														-
Snack														-
Tips														-
Total Meals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GSA Per Diem Meals & Inc Exp. Max														-
Reimbursable Meal Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel														-
GSA Per Diem Lodging (excluding taxes & fee)														-
Reimbursable Lodging w taxes Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airfare														-
Mileage														-
Parking														-
Registration														-
Taxi														-
Total Reimbursable for	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel														-
GSA Per Diem Lodging (excluding taxes & fee)														-
Reimbursable Lodging w taxes Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Per Diem Expenses for (Employee Name)														
Date														Total
Breakfast														-
Lunch														-
Dinner														-
Snack														-
Tips														-
Total Meals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GSA Per Diem Meals & Inc Exp. Max														-
Reimbursable Meal Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hotel														-
GSA Per Diem Lodging (excluding taxes & fee)														-
Reimbursable Lodging w taxes Amount	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Airfare														-
Mileage														-
Parking														-
Registration														-
Taxi														-
Total Reimbursable for	-	-	-	-	-	-	-	-	-	-	-	-	-	-

<b>Total Reimbursable for Claim</b>													
-------------------------------------	--	--	--	--	--	--	--	--	--	--	--	--	--

## APPENDIX D – PERFORMANCE PERIOD EXTENSION REQUEST

City of San Diego Office of Homeland Security

### PERFORMANCE PERIOD EXTENSION REQUEST

Subrecipient Name: \_\_\_\_\_

UASI FY: \_\_\_\_\_

Project:

Project Title:

Total Amount Allocated:

Amount Expended:

Original Performance Period Deadline:

Requested New Performance Period Deadline (final reimbursement claim due on this date):

1. Describe the details of the project:
2. What is the current status of the project?
3. Please provide a timeline as to how you will meet the new requested date:
4. How have you analyzed your errors in the initial timeline? What are the reasons why the project is late?
5. How have you improved your planning and project management process to avoid future delays if this request is granted? What plans and documentation do you have in place to guarantee the requested deadline will be met?
6. List and describe all equipment with costs and AEL #s:

Equipment & Description	Cost	AEL number
<b>PROJECT A:</b>		
<b>TOTAL</b>		
<b>PROJECT B:</b>		
<b>TOTAL</b>		

# **APPENDIX D – PERFORMANCE PERIOD EXTENSION REQUEST**

<b>PROJECT D:</b>		
<b>TOTAL</b>		
<b>PROJECT E:</b>		
<b>TOTAL</b>		
<b>PROJECT G:</b>		
<b>TOTAL</b>		
<b>All Investments TOTAL</b>		

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City accepting and authorizing the Mayor to sign an Encroachment Permit and Agreement with Germiniano F. Tubao to install an exterior patio with fence and awnings within the public right-of-way on "A"

**CITY OF NATIONAL CITY, CALIFORNIA  
COUNCIL AGENDA STATEMENT**

**MEETING DATE:** March 6, 2018

**AGENDA ITEM NO.**

**ITEM TITLE:**

Resolution of the City Council of the City of National City accepting and authorizing the Mayor to sign an Encroachment Permit and Agreement with Germiniano F. Tubao to install an exterior patio with fence and awnings within the public right-of-way on "A" Avenue as part of tenant improvements to the existing commercial building located at 41 E. 8<sup>th</sup> Street (APN 556-331-20 and 556-331-21).

**PREPARED BY:** Carla Hutchinson, Assistant Engineer - Civil

**DEPARTMENT:** Engineering/Public Works

**PHONE:** 619-336-4388

**APPROVED BY:** 

**EXPLANATION:**

See attached.

**FINANCIAL STATEMENT:**

**ACCOUNT NO.**

|N/A|

**APPROVED:** \_\_\_\_\_ **Finance**

**APPROVED:** \_\_\_\_\_ **MIS**

**ENVIRONMENTAL REVIEW:**

N/A

**ORDINANCE:** INTRODUCTION: ☐ **FINAL ADOPTION:** ☐

**STAFF RECOMMENDATION:**

Adopt Resolution accepting and authorizing the Mayor to sign an Encroachment Permit and Agreement with Germiniano F. Tubao to install an exterior patio with fence and awnings within the public right-of-way on "A" Avenue as part of tenant improvements to the existing commercial building located at 41 E. 8th Street.

**BOARD / COMMISSION RECOMMENDATION:**

N/A

**ATTACHMENTS:**

1. Explanation
2. Encroachment Permit and Agreement
3. Resolution



## **EXPLANATION**

Mr. Germiniano F. Tubao, owner of the commercial property located at 41 E. 8<sup>th</sup> Street, has submitted plans to the Building Department for tenant improvements. The project proposes to install an exterior patio with a 42-inch high fence and two overhead awnings within the public right of way to provide outdoor seating on "A" Avenue.

Execution of an Encroachment Permit and Agreement is required to allow Mr. Tubao to install these improvements within the public right of way. Mr. Tubao was notified of the potential encroachment and directed to either change the design or enter into an Encroachment Permit and Agreement with the City. Therefore, Mr. Tubao is requesting that the City accept and authorize the Mayor to sign the attached Agreement. If approved by City Council, this easement will be recorded with the Office of the San Diego County Recorder, pending issuance of all required building permits.

Staff has reviewed the plans and supports execution of an Encroachment Permit and Agreement, since the improvements will not impede Americans with Disabilities Act (ADA) access along the sidewalk.

**ENCROACHMENT PERMIT AND AGREEMENT  
(Commercial)**

**FEE: \$490.00**

The City Of National City hereby grants an Encroachment Permit to the undersigned, **GERMINIANO F. TUBAO, TRUSTEE** (hereinafter referred to as "OWNER"), in accordance with and pursuant to the terms and conditions set forth in Chapter 13.12 of the National City Municipal Code.

OWNER is the owner of that certain real property described in the attached Exhibit "A", or is an owner of personal property that is proposed to be installed in the public right-of-way or other public property of the City of National City, County of San Diego, State of California. The OWNER, in consideration of this grant of permission by the City of National City (hereinafter referred to as "CITY") to install and maintain certain personal property or a building, facility, or other structure (hereafter designated from time to time as an "encroachment") within or upon a CITY easement, property, or right-of-way for the use and benefit of OWNER'S property and adjacent lands, now covenants and agrees as follows:

The site of installation and any description of OWNER'S encroachment is described in Exhibit "B", attached.

The terms and conditions under which the encroachment is to be installed and maintained are as follows:

1. Upon notification in writing by the City Engineer, the above described encroachment shall be abandoned, removed, or relocated by OWNER at the owner's sole expense.
2. The said encroachment shall be maintained in a safe and sanitary condition at all times at the sole cost, risk, and responsibility of OWNER and any successor in interest, who shall hold CITY harmless with respect thereto.
3. This Permit and Agreement, when made for the direct benefit of OWNER's land or property described above, and the covenants herein contained shall run with said land and shall be binding on the assigns and successors of OWNER. Should OWNER or its successors fail to remove or relocate the encroachment herein permitted within thirty (30) days after notice of removal or relocation from the CITY, CITY may cause such removal or relocation to be done at OWNER's sole cost and expense, which shall be a lien upon said land. A copy of this Encroachment Agreement shall be recorded against any real property of the owner's that is hereby benefited by the encroachment. Upon request by CITY, PERMITTEE shall record this Encroachment Agreement with the County of San Diego, County Recorder's Office, and upon recordation shall return the original to the CITY.
4. OWNER shall indemnify, defend, and hold harmless CITY and its officers, agents, and employees from all liability, loss, costs, claims, demands, suits, and defense costs, including attorneys' fees, arising out of Owner's entry upon and use of City's easement or right-of-way for the installation, maintenance, and use of the owner's encroachment.
5. OWNER and each successor in interest or assign shall take out and maintain, during the time the encroachment remains on CITY's easement or right-of-way, commercial general liability insurance with minimum limits of One Million Dollars (\$1,000,000.00) combined single limit per occurrence, covering all bodily and property damage arising out of this Encroachment Agreement.

This policy shall name CITY and its officers, agents, and employees as additional insured, and shall constitute primary insurance as to CITY and its officers, agents, and employees, so that any other policies held by CITY shall not contribute to any loss under said insurance. Said policy shall



provide for thirty (30) days prior written notice to CITY of cancellation or material change. Prior to commencement of this Encroachment Agreement, OWNER shall furnish CITY a certificate of insurance with original endorsements evidencing the coverage required by this section. Should owner fail to do so, City may elect to obtain such coverage at OWNER'S expense or immediately terminate this Agreement.

6. The full terms and conditions under which this Encroachment Permit is issued are further set forth in Chapter 13.12 of the National City Municipal Code, which terms OWNER hereby specifically acknowledges and agrees to. Owner also acknowledges that those terms and conditions include, without limitation, the following:

a. The City reserves the right to charge the Owner "fair and reasonable" compensation for the use of CITY property retroactive to the date of construction or installation of the encroachment.

b. The CITY can require the removal, relocation, or undergrounding of the encroachment when deemed necessary and feasible by and in the sole discretion of the City Engineer at owner's expense.

7. This encroachment Permit is not valid and confers no rights to install and maintain an encroachment until it is accepted by the Owner.

DATED:

CITY OF NATIONAL CITY

\_\_\_\_\_  
Ron Morrison, Mayor

PERMITTEE:

Pacific Point Properties

Entity/Company

\_\_\_\_\_  
Signature

Germiniano F. Tubao  
Name & Title

ATTACH NOTARY CERTIFICATION FOR THE NAME OF PERMITTEE SHOWN ABOVE.  
USE CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT NOTARY ONLY.

-----  
PERMITTEE/APPLICANT INFORMATION:

GERMINIANO F. TUBAO, TRUSTEE

Person in Responsible Charge

618-428-8838

24/7 Phone Number

\_\_\_\_\_  
Firm Name

Mailing Address:

657 10TH STREET

IMPERIAL BEACH, CA 91932

PLAT SHOWING LOCATION OF STRUCTURES, EASEMENT, OR RIGHT-OF-WAY, AND  
SEWER AND/OR DRAINAGE FACILITIES: SEE EXHIBIT "B", ATTACHED



# CALIFORNIA ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

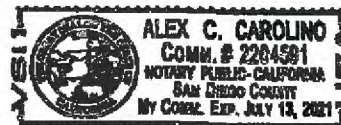
County of San Diego }

On Feb. 1, 2018 before me, Alex C. Carolino Notary Public  
(Here insert name and title of the officer)

personally appeared Germiniano F. Tubao  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Notary Public Signature

(Notary Public Seal)

## ADDITIONAL OPTIONAL INFORMATION

### DESCRIPTION OF THE ATTACHED DOCUMENT

(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages \_\_\_\_\_ Document Date \_\_\_\_\_

### CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)  
☐ Corporate Officer

(Title)

- ☐ Partner(s)  
☐ Attorney-in-Fact  
☐ Trustee(s)  
☐ Other \_\_\_\_\_

## INSTRUCTIONS FOR COMPLETING THIS FORM

*This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.*

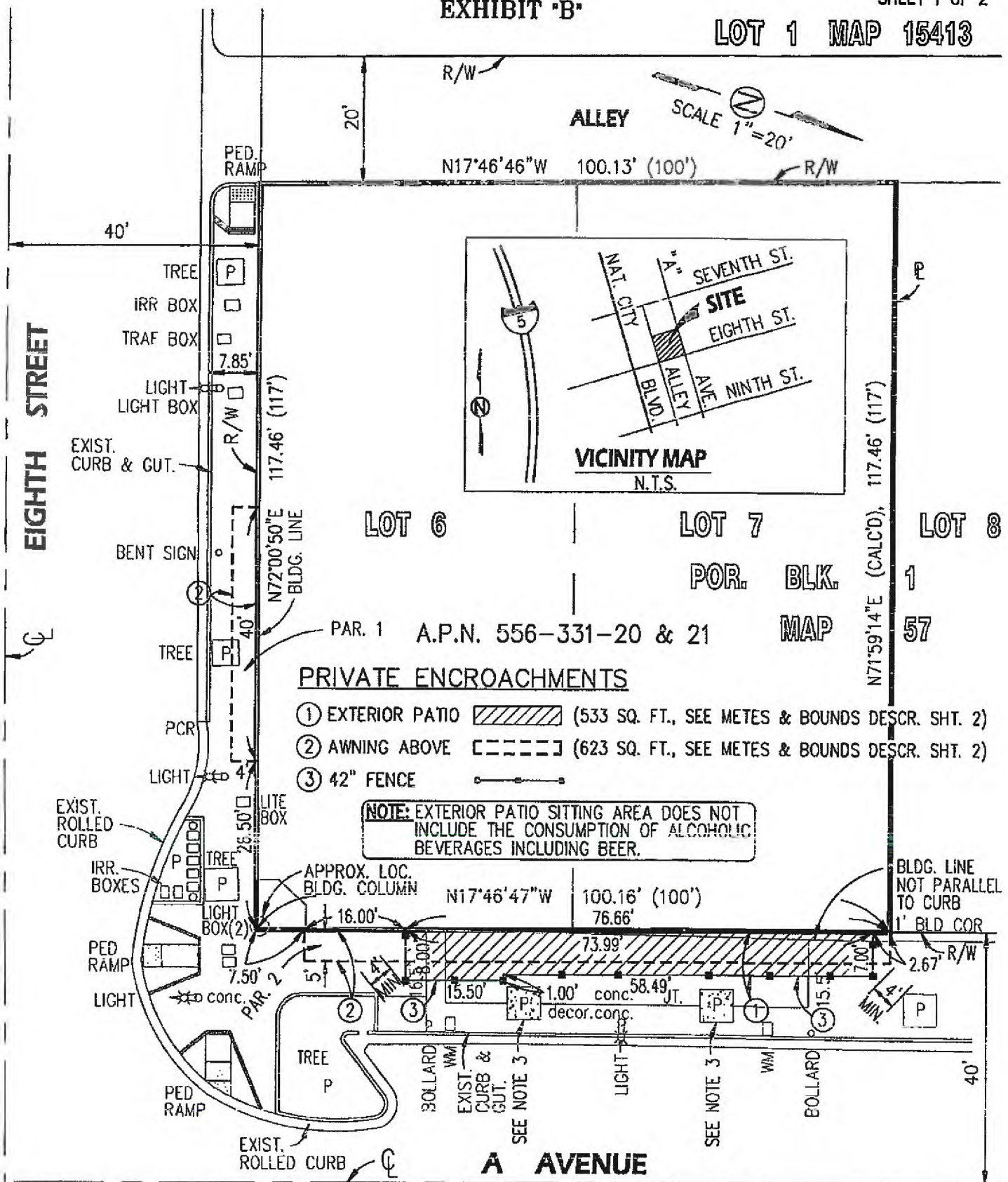
- 1 State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- 2 Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- 3 The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- 4 Print the name(s) of document signer(s) who personally appear at the time of notarization.
- 5 Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they - is /are ) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- 6 The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- 7 Signature of the notary public must match the signature on file with the office of the county clerk.
  - 8 Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - 9 Indicate title or type of attached document, number of pages and date.
  - 10 Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- 11 Securely attach this document to the signed document with a staple.

**EXHIBIT "A"**

LOTS 6 AND 7 IN BLOCK 1 OF T. PARSON'S SUBDIVISION OF 10 ACRE, LOT 8 IN QUARTER SECTION 155 OF RANCHO DE LA NACION, IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MAP THEREOF NO. 57, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, APRIL 26, 1881.

A.P.N. 556-331-20 & 21





**NOTES :** 1. BEARINGS AND DISTANCES SHOWN ARE FROM MAP No. 15413 AND HAVE NOT BEEN VERIFIED.

2. RECORD DISTANCES FROM MAP No. 57 ARE SHOWN IN PARENTHESIS.

3. EXISTING TREE GRATE TO BE REMOVED AND WELL TO BE FILLED WITH CONCRETE TO MATCH EXISTING.

EXHIBIT "B"METES AND BOUNDS DESCRIPTIONSAWNING**PARCEL 1:**

BEGINNING AT THE NORTHWEST RIGHT-OF-WAY LINE INTERSECTION OF EIGHTH STREET AND A AVENUE IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA. THENCE SOUTHWESTERLY, ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF EIGHTH STREET, SOUTH 72°00'50" WEST, 26.50 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 17°59'10" EAST, 4.00 FEET; THENCE SOUTH 72°00'50" WEST, 40.00 FEET; THENCE NORTH 17°59'10" WEST, 4.00 FEET TO A POINT ON THE NORTHERLY LINE OF EIGHTH STREET; THENCE ALONG SAID NORTHERLY LINE NORTH 72°00'50" EAST, 40.00 FEET TO THE TRUE POINT OF BEGINNING.

**PARCEL 2:**

BEGINNING AT THE NORTHWEST RIGHT-OF-WAY LINE INTERSECTION OF EIGHTH STREET AND A AVENUE IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA; THENCE NORTHWESTERLY ALONG THE WESTERLY RIGHT-OF-WAY LINE OF A AVENUE, NORTH 17°46'47" WEST, 7.50 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTH ALONG SAID WESTERLY RIGHT-OF-WAY LINE, NORTH 17°46'47" WEST, 92.66 FEET; THENCE NORTH 72°13'13" EAST, 5.00 FEET; THENCE SOUTH 17°46'47" EAST, 92.66 FEET; THENCE SOUTH 72°13'13" WEST, 5.00 FEET TO THE TRUE POINT OF BEGINNING.

EXTERIOR PATIO INCLUDING FENCE

BEGINNING AT THE NORTHWEST RIGHT-OF-WAY LINE INTERSECTION OF EIGHTH STREET AND A AVENUE IN THE CITY OF NATIONAL CITY, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA; THENCE NORTHWESTERLY, ALONG THE WESTERLY RIGHT-OF-WAY LINE OF A AVENUE, NORTH 17°46'47" WEST, 23.50 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING NORTHWESTERLY ALONG SAID WESTERLY RIGHT-OF-WAY LINE, NORTH 17°46'47" WEST, 73.99 FEET; THENCE NORTH 72°13'13" EAST, 7.00 FEET; THENCE SOUTH 17°46'47" EAST, 58.49 FEET; THENCE NORTH 72°13'13" EAST, 1.00 FOOT; THENCE SOUTH 17°46'47" EAST, 15.50 FEET; THENCE SOUTH 72°13'13" WEST, 8.00 FEET TO THE TRUE POINT OF BEGINNING.

A.P.N. 556-331-20 & 21





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/30/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> KC WILSON INS & FINANCIAL SERVICES LLC 1654 The Alameda, Ste 210 San Jose, CA 95126 KC WILSON INS & FINANCIAL SERVICES LLC		<b>CONTACT NAME:</b> License# 0E48472 <b>PHONE (A/C No. Exp):</b> (408)283-8866 <b>FAX (A/C No.):</b> (408)214-8415 <b>E-MAIL ADDRESS:</b> kcwilson2@gmail.com	
<b>INSURED</b> Germiniano and Angeles Tubao 657 10th street Imperial Beach, CA 91932		<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Hamilton Specialty Insurance Company <b>NAIC #</b> 13551 <b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

LINE	TYPE OF INSURANCE	ADDITIONAL INSURED	POLICY NUMBER	POLICY EFF DATE (MM/DD/YYYY)	POLICY EXP DATE (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	AAHS1000014837	8/31/2017	8/31/2018	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 100,000 PERSONAL & ADV INJURY \$ 5,000 GENERAL AGGREGATE \$ 1,000,000 PRODUCTS - COMPOD AGG \$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC <input type="checkbox"/> OTHER					
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRE AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY					
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> RETENTION					
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/CHIEF MEMBER EXCLUDED (Mandatory in NY) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	N/A			PER STATUTE F.I. EACH ACCIDENT E.I. DISEASE - EA EMPLOYEE E.I. DISEASE - POLICY LIMIT

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

"The City of National City, its elected officials, officers, agents, and employees"

**CERTIFICATE HOLDER****CANCELLATION**

City Of National City, C/O Risk Mgr 1243 National City Blvd  National City, CA 91950-4301	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE
--	---

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ACORD 25 (2016/03)

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

#### SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
CITY OF NATIONAL CITY THE CITY OF NATIONAL CITY, ITS ELECTED OFFICIALS, OFFICERS, AGENTS, AND EMPLOYERS. ENGINEERING & PUBLIC WORKS DEPARTMENT 1243 NATIONAL CITY BLVD. NATIONAL CITY, CA 91950	27-41 E. 8TH STREET NATIONAL CITY, CA 91995
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

- A. Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

In the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

- B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:**

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

- C. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:**

**If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:**

- 1. Required by the contract or agreement; or**

- 2. Available under the applicable Limits of Insurance shown in the Declarations;  
whichever is less.**

**This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.**





(To be submitted only when there are no employees subject to Workers' Compensation)

**DECLARATION AND ADDENDUM TO ALL CONTRACTS AWARDED TO:**

Germiniano F. Tubao

(Company Name)

For the purpose of inducing the City of National City to go forward with any contracts awarded to Germiniano F. Tubao (Company), I declare as follows:

I, Germiniano F. Tubao (name), owner (title), am authorized to execute this document on behalf of (company) with respect to compliance with the California Workers' Compensation and Labor laws. All work required will be performed personally and solely by volunteers of Germiniano F. Tubao (company), who are independent contractors. If, however, Germiniano F. Tubao (company) shall ever be required to hire employees or Subcontractors to perform this contract, Germiniano F. Tubao (company) shall obtain Workers' Compensation Insurance and/or provide proof of Workers' Compensation Insurance coverage to the City of National City.

This document constitutes a declaration by Germiniano F. Tubao (company) against its financial interest, relative to any claims which may be asserted under the California Workers' Compensation and/or Labor laws against the City of National City relating to any bid or contract awarded Germiniano F. Tubao (company).

Germiniano F. Tubao (company) will defend, indemnify, and hold harmless the City of National City, its officers and employees, from any and all claims and liability, including Workers' Compensation claims and liability that may be asserted or established by any party in the event it hires an employee in violation of this addendum or if a volunteer of the organization makes a claim against or alleges liability of the City of National City for Workers' Compensation, and it will further indemnify the City of National City, its officers and employees, for all damages the City thereby suffers.

I agree that these declarations shall constitute an addendum to any bid or contract awarded to: Germiniano F. Tubao (company).

Dated: Jan 31, 2018.

(Insert company name in all caps)

By:

[Signature]  
(Signature of Authorized Representative)

Germiniano F. Tubao, Owner  
(Name and Title)

The following page(s) contain the backup material for Agenda Item: Temporary Use Permit – National Day of Prayer sponsored by First Christian Church of National City at Kimball Park Bowl on May 3, 2018 with no waiver of fees. (Neighborhood Services)



**CITY OF NATIONAL CITY, CALIFORNIA  
COUNCIL AGENDA STATEMENT**

**MEETING DATE:** March 6, 2018

**AGENDA ITEM NO. |**

**ITEM TITLE:**

Temporary Use Permit – National Day of Prayer sponsored by First Christian Church of National City at Kimball Park Bowl on May 3, 2018 with no waiver of fees.

**PREPARED BY:** |Dionisia Trejo|

**DEPARTMENT:** Neighborhood Services Department

**PHONE:** |(619) 336-4255|

**APPROVED BY:** 

**EXPLANATION:**

This is a request from First Christian Church of National City to conduct the National Day of Prayer at Kimball Park Bowl on May 3, 2018 from 6:30 p.m. to 7:30 p.m. Set up for the event will commence at 5:30 p.m. on the day of the event. This event will consist of various churches from National City which will gather to worship and pray.

First Christian Church of National City will provide their own stage. Security will be provided by volunteers from local churches.

Note: This event was approved by Council in 2017 with no waiver of fees.

**FINANCIAL STATEMENT:**

**APPROVED:** \_\_\_\_\_ **Finance**

**ACCOUNT NO. |**

**APPROVED:** \_\_\_\_\_ **MIS**

City fee of \$237.00 for processing the TUP through various City departments, plus \$122.10 for Parks.  
Total Fees: \$359.10

**ENVIRONMENTAL REVIEW:**

|N/A|

**ORDINANCE:** ☐ **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

**STAFF RECOMMENDATION:**

|Approve the Application for a Temporary Use Permit subject to compliance with all conditions of approval with no waiver of fees or in accordance to City Council Policy 802. |

**BOARD / COMMISSION RECOMMENDATION:**

|N/A|

**ATTACHMENTS:**

|Application for a Temporary Use Permit with recommended conditions of approval. |



City of National City ■ Neighborhood Services Department  
1243 National City Boulevard ■ National City, CA 91950  
(619) 336-4364 ■ fax (619) 336-4217  
www.nationalcityca.gov

## Special Event Application

### Type of Event

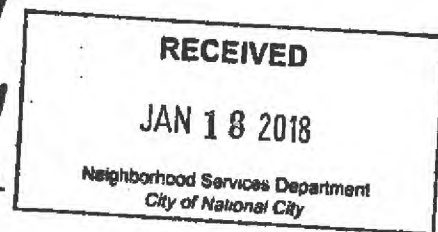
- ☐ Fair/Festival    ☐ Parade/March    ☐ Walk or Run    ☐ Concert/Performance  
☒ TUP    ☐ Sporting Event    ☐ Other (specify) \_\_\_\_\_

### Event Name & Location

Event Title National Day of Prayer  
Event Location (list all sites being requested) Kimball Park Bowl

### Event Times

Set-Up Starts  
Date 5/3/18 Time 5:30 pm Day of Week Thursday  
Event Starts  
Date 5/3/18 Time 6:30 pm Day of Week Thursday  
Event Ends  
Date 5/3/18 Time 7:30 pm Day of Week Thursday  
Breakdown Ends  
Date 5/3/18 Time 8:30 pm Day of Week Thursday



### Applicant Information

Applicant (Your name) Tim Captain Sponsoring Organization First Christian Church of National City  
Event Coordinator (if different from applicant) Pastor Eddie Duenas (619-797-2601)  
Mailing Address 1800 E 17<sup>th</sup> St. National City, CA 91950  
Day Phone 619 474-2254 After Hours Phone \_\_\_\_\_ Cell 619 518-8415 Fax \_\_\_\_\_  
Public Information Phone \_\_\_\_\_ E-mail tim@nationalcitychurch.com

Applicant agrees to investigate, defend, indemnify and hold harmless the City, its officers, employees and agents from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges, expense (including attorney's fees) and causes of action of any character which the City, its officers, employees and agents may incur, sustain or be subjected to on account of loss or damage to property or the loss of use thereof and for bodily injury to or death of any persons (including but not limited to the employees, subcontractors, agents and invitees of each party hereto) arising out of or in any way connected to the occupancy, enjoyment and use of any City premises under this agreement to the extent permitted by law.

Applicant understands this TUP/special event may implicate fees for City services, which will have to be paid in the City's Finance Department 48 hours prior to the event set-up. The undersigned also understands and accepts the City's refund policy for application processing and facility use and that fees and charges are adjusted annually and are subject to change.

Signature of Applicant:  Date 1/18/18



## Special Event Application (continued)

Please complete the following sections with as much detail as possible since fees and requirements are based on the information you provide us.

### Fees/Proceeds/Reporting

Is your organization a "Tax Exempt, nonprofit" organization? Yes ☒ No ☐

Are admission, entry, vendor or participant fees required? Yes ☐ No ☒

If YES, please explain the purpose and provide amount (s):

\_\_\_\_\_  
\_\_\_\_\_

\$ 0 Estimated Gross Receipts including ticket, product and sponsorship sales from this event.

\$ 0 Estimated Expenses for this event.

\$ 0 What is the projected amount of revenue that the Nonprofit Organization will receive as a result of this event?

### Description of Event

☐ First time event ☒ Returning Event ☐ include site map with application

Note that this description may be published in our City Public Special Events Calendar:

This event is in conjunction with the National Day of Prayer.  
Various churches will gather to worship and pray.  
The worship and prayer will be amplified.

\_\_\_\_\_  
\_\_\_\_\_

### Estimated Attendance

Anticipated # of Participants: 500 Anticipated # of Spectators: \_\_\_\_\_



**Traffic Control, Security, First Aid and Accessibility**

Requesting to close street(s) to vehicular traffic? Yes ☐ No ☒

List any streets requiring closure as a result of the event (provide map): \_\_\_\_\_

Date and time of street closure: \_\_\_\_\_ Date and time of street reopening: \_\_\_\_\_

☐ Other (explain) \_\_\_\_\_

Requesting to post "no parking" notices? Yes ☐ No ☒

☐ Requested "No Parking" on city streets and/or parking lots (list streets/parking lots) (provide map): \_\_\_\_\_

☐ Other (explain) \_\_\_\_\_

**Security and Crowd Control**

Depending on the number of participants, your event may require Police services.

Please describe your procedures for both Crowd Control and Internal Security: Volunteers  
from local churches will provide crowd control and  
internal security.

Have you hired Professional Security to handle security arrangements for this event?

Yes ☐ No ☒ If YES, name and address of Security Organization \_\_\_\_\_

Security Director (Name): \_\_\_\_\_ Phone: \_\_\_\_\_

If using the services of a professional security firm AND the event will occur on City property, please provide a copy of its insurance certificate, evidencing liability with limits of at least \$1 Million dollars per occurrence/\$2 Million dollars aggregate, as well as an additional insured endorsement naming the City of National City, its officers, employees, and agents as additional insureds. Evidence of insurance must be provided by the vendor or its insurer to the City's Risk Manager for review and approval prior to the event.

Is this a night event? Yes ☒ No ☐ If YES, please state how the event and surrounding area will be illuminated to ensure safety of the participants and spectators: \_\_\_\_\_

Requesting illumination from city lights.

### First Aid

Depending on the number of participants, your event may require specific First Aid services.

First aid station to be staffed by event staff? Yes ☐ No ☒ First aid/CPR certified? Yes ☐ No ☒

☐ First aid station to be staffed by professional company. ▶ Company \_\_\_\_\_

### Accessibility

Please describe your Accessibility Plan for access at your event by individuals with disabilities:

Individuals with disabilities may access the event by  
using the top row of the bowl to participate.

### Elements of your Event

Setting up a stage? Yes ☒ No ☐

☐ Requesting City's PA system

☐ Requesting City Stage; if yes, which size? ☐ Dimensions (13x28) ☐ Dimensions (20x28)

☒ Applicant providing own stage ▶ 20 x 28 (Dimensions)

Setting up canopies or tents?

\_\_\_\_\_ # of canopies size \_\_\_\_\_

\_\_\_\_\_ # of tents size \_\_\_\_\_

☒ No canopies/tents being set up

Setting up tables and chairs?

☒ Furnished by Applicant or Contractor

\_\_\_\_\_ # of tables ☒ No tables being set up

10 # of chairs ☐ No chairs being set up

☐ (For City Use Only) Sponsored Events – Does not apply to co-sponsored events

\_\_\_\_\_ # of tables ☐ No tables being set up

\_\_\_\_\_ # of chairs ☐ No chairs being set up

Contractor Name \_\_\_\_\_

Contractor Contact Information \_\_\_\_\_  
Address City/State Phone Number

**Setting up other equipment?**

- ☐ Sporting Equipment (explain) \_\_\_\_\_
- ☒ Other (explain) Will set up a PA system
- ☐ Not setting up any equipment listed above at event

Having amplified sound and/or music? Yes ☐ No ☐

- ☒ PA System for announcements ☐ CD player or DJ music
- ☒ Live Music ▶ ☒ Small 4-5 piece live band ▶ ☐ Large 6+ piece live band
- ☐ Other (explain) \_\_\_\_\_

If using live music or a DJ. ▶ Contractor Name N/A (Volunteers from churches)

▶ \_\_\_\_\_  
Address City/State Phone Number

Using lighting equipment at your event? Yes ☐ No ☒

- ☐ Bringing in own lighting equipment
- ☐ Using professional lighting company ▶ Company Name \_\_\_\_\_  
\_\_\_\_\_  
Address City/State Phone Number

Using electrical power? Yes ☒ No ☐

- ☒ Using on-site electricity ☒ For sound and/or lighting ☐ For food and/or refrigeration
- ☐ Bringing in generator(s) ☐ For sound and/or lighting ☐ For food and/or refrigeration

**Vendor Information**

**PLEASE NOTE:** You may be required to apply for a temporary health permit if food or beverages are sold or given away during your special event. Also see 'Permits and Compliance' on page 6 in the Special Event Guide. For additional information on obtaining a temporary health permit, please contact the County of San Diego Environmental Health at (619) 338-2363.

Having food and non-alcoholic beverages at your event? Yes ☐ No ☒

- ☐ Vendors preparing food on-site ▶ # \_\_\_\_\_ ▶ Business License # \_\_\_\_\_

If yes, please describe how food will be served and/or prepared: \_\_\_\_\_

If you intend to cook food in the event area please specify the method:  
☐ GAS ☐ ELECTRIC ☐ CHARCOAL ☐ OTHER (Specify): \_\_\_\_\_

- ☐ Vendors bringing pre-packaged food ▶ # \_\_\_\_\_ ▶ Business License # \_\_\_\_\_
- ☐ Vendors bringing bottled, non-alcoholic beverages (i.e., bottled water, can soda, etc.) ▶ # \_\_\_\_\_
- ☐ Vendors selling food # \_\_\_\_\_ ▶ Business License #(s) \_\_\_\_\_
- ☐ Vendors selling merchandise # \_\_\_\_\_ ▶ Business License #(s) \_\_\_\_\_



- ☐ Food/beverages to be handled by organization; no outside vendors
- ☐ Vendors selling services # \_\_\_\_\_ ▶ Business License #(s) \_\_\_\_\_
- ▶ Explain services \_\_\_\_\_
- ☐ Vendors passing out information only (no business license needed) # \_\_\_\_\_
- ▶ Explain type(s) of information \_\_\_\_\_
- ☐ No selling or informational vendors at event

Having children activities? Yes ☐ No ☒

**PLEASE NOTE:** In the event inflatable jumps are provided at the event. The City of National City requires commercial liability insurance with limits of at least \$1 Million dollars per occurrence/\$2 Million dollars aggregate. In addition, the City of National City must be named as an Additional Insured pursuant to a separate endorsement, which shall be provided by the vendor or its insurer to the City's Risk Manager, along with the Certificate of Insurance, for approval prior to the event. The application should be filed out at least one week prior to the event. There is a \$25 fee to process the permit application. For questions or to obtain a copy of the "Facility Use Application", please contact the Engineering/Public Works Department at (619) 336-4580.

- ☐ Inflatable bouncer house # \_\_\_\_\_ ☐ Rock climbing wall Height \_\_\_\_\_
- ☐ Inflatable bouncer slide # \_\_\_\_\_ ☐ Arts & crafts (i.e., craft making, face painting, etc.)
- ☐ Other \_\_\_\_\_

Having fireworks or aerial display? Yes ☐ No ☒

- ☐ Vendor name and license # \_\_\_\_\_
- Dimensions \_\_\_\_\_ Duration \_\_\_\_\_
- Number of shells \_\_\_\_\_ Max. size \_\_\_\_\_

**PLEASE NOTE:** In the event fireworks or another aerial display is planned for your event, The City of National City requires commercial liability insurance with limits of at least \$2 Million dollars per occurrence/ \$4 Million dollars aggregate. In addition, the City of National City must be named as an Additional Insured pursuant to a separate endorsement, which shall be provided by the vendor or its insurer to the City's Risk Manager, along with the Certificate of Insurance, for approval prior to the event. Depending on the size and/or nature of the fireworks display, the City reserves the right to request higher liability limits. The vendor must also obtain a fireworks permit from the National City Fire Department and the cost is \$502.00.

Arranging for media coverage? Yes ☐ No ☒

- ☐ Yes, but media will not require special set-up
- ☐ Yes, media will require special set-up. Describe \_\_\_\_\_

## Event Signage

**PLEASE NOTE:** For City sponsored or co-sponsored events, banners publicizing the event may be placed on the existing poles on the 1800 block and 3100 block of National City Boulevard. The banners must be made to the City's specifications. Please refer to the City's Special Event Guidebook and Fee Schedule for additional information.

Are you planning to have signage at your event? Yes ☒ No ☐

☒ Yes, we will post signage # 1 Dimensions 72" x 30"

☐ Yes, having inflatable signage # \_\_\_\_\_ ▶ (complete Inflatable Signage Request form)

☐ Yes, we will have banners # \_\_\_\_\_

☐ What will signs/banners say? \_\_\_\_\_

☐ How will signs/banners be anchored or mounted? \_\_\_\_\_

## Waste Management

**PLEASE NOTE:** One toilet for every 250 people is required, unless the applicant can show that there are sufficient facilities in the immediate area available to the public during the event.

Are you planning to provide portable restrooms at the event? Yes ☐ No ☒

If yes, please identify the following:

▶ Total number of portable toilets: \_\_\_\_\_

▶ Total number of ADA accessible portable toilets: \_\_\_\_\_

☐ Contracting with portable toilet vendor. ▶ \_\_\_\_\_

▶ Load-in Day & Time \_\_\_\_\_ ▶ Load-out Day & Time \_\_\_\_\_

☐ Portable toilets to be serviced. ▶ Time \_\_\_\_\_

## Set-up, Breakdown, Clean-up

**Setting up the day before the event?**

☐ Yes, will set up the day before the event. ▶ # of set-up day(s) \_\_\_\_\_

☒ No, set-up will occur on the event day

**Requesting vehicle access onto the turf?**

☐ Yes, requesting access onto turf for set-up and breakdown (complete attached Vehicle Access Request form)

☒ No, vehicles will load/unload from nearby street or parking lot.



### NPDES-Litter Fence

- ☐ City to install litter fence
- ☐ Applicant to install litter fence
- ☒ N/A

#### Breaking down set-up the day after the event?

- ☐ Yes, breakdown will be the day after the event. ► # of breakdown day(s) \_\_\_\_\_
- ☒ No, breakdown will occur on the event day.

#### How are you handling clean-up?

- ☐ Using City crews
- ☒ Using volunteer clean-up crew during and after event.
- ☐ Using professional cleaning company during and after event.

### Miscellaneous

Please list anything important about your event not already asked on this application:

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**Please make a copy of this application for your records.  
We do not provide copies.**



# Special Events

## Pre-Event Storm Water Compliance Checklist

### I. Special Event Information

Name of Special Event: <u>National Day of Prayer</u>	
Event Address: <u>Kimball Park Bowl</u>	Expected # of Attendees: <u>500</u>
Event Host/Coordinator: <u>Pastor Eddie Duenas / Tim Captain</u> Phone Number: <u>619-787-2601</u> <u>619-518-8415</u>	

### II. Storm Water Best Management Practices (BMPs) Review

	YES	NO	N/A
Will enough trash cans provided for the event?  Provide number of trash bins: _____			
Will enough recycling bins provided for the event?  Provide number of recycle bins: _____			
Will all portable toilets have secondary containment trays? (exceptions for ADA compliant portable toilets)			
Do all storm drains have screens to temporarily protect trash and debris from entering?			
Are spill cleanup kits readily available at designated spots?			

\* A Post-Event Storm Water Compliance Checklist will be completed by City Staff.

# City of National City

## PUBLIC PROPERTY USE HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

Persons requesting use of City property, facilities or personnel are required to provide a minimum of \$1,000,000 combined single limit insurance for bodily injury and property damage which includes the City, its officials, agents and employees named as additional insured and to sign the Hold Harmless Agreement. Certificate of insurance must be attached to this permit. The insurance company issuing the insurance policy must have a A.M. Best's Guide Rating of A:VII and that the insurance company is a California admitted company; if not, then the insurance policy to the issuance of the permit for the event. The Certificate Holder must reflect:

City of National City  
Risk Management Department  
1243 National City Boulevard  
National City, CA 91950

Organization: First Christian Church of National City

Person in Charge of Activity: Eddie Duenas / Tim Captain

Address: 1800 E 17<sup>th</sup> St.

Telephone: 619-518-8415 Date(s) of Use: 5/3/18

### HOLD HARMLESS AGREEMENT

As a condition of the issuance of a temporary use permit to conduct its activities on public or private property, the undersigned hereby agree(s) to defend, indemnify and hold harmless the City of National City and the Parking Authority and its officers, employees and agents from and against any and all claims, demands, costs, losses, liability or, for any personal injury, death or property damage, or both, or any litigation and other liability, including attorneys fees and the costs of litigation, arising out of or related to the use of public property or the activity taken under the permit by the permittee or its agents, employees or contractors.

Signature of Applicant: 

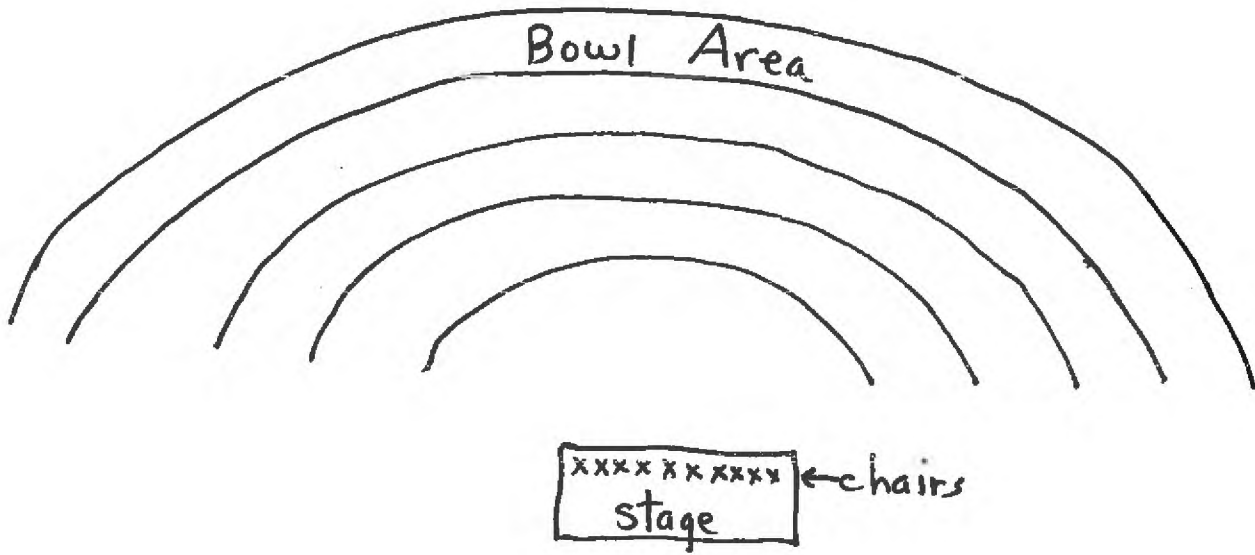
Official Title: Lead Pastor Date: 1/18/18

*For Office Use Only*

Certificate of Insurance Approved \_\_\_\_\_ Date \_\_\_\_\_

# National Day of Prayer

5/3/18





# ADDITIONAL INSURED -- OWNERS, LESSEES OR CONTRACTORS -- SCHEDULED PERSON OR ORGANIZATION

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

## **SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s):	Location(s) Of Covered Operations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II -- Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

**B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:**

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

05/03/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Mather Church Insurance Center, Inc. 9530 Hageman Road, Suite B 209 Bakersfield, CA. 93312	<b>CONTACT NAME:</b> Kim S. Mather		
	<b>PHONE (A/C, No. Ext):</b> 619-390-7520	<b>FAX (A/C, No):</b> 619-3908344	
	<b>E-MAIL ADDRESS:</b> kim.mather@churchinsurancecenter.com		
<b>INSURED</b>  First Christian Church of National City 1800 East 17th Street National City, CA. 61950	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A:</b> GuideOne Mutual Insurance Company		15032
	<b>INSURER B:</b>		
	<b>INSURER C:</b>		
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		
		<b>INSURER F:</b>	

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDITIONAL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	X	1276-920	11/11/2017	11/11/2018	EACH OCCURRENCE \$ 1,000,000
	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000					
	MED EXP (Any one person) \$ 10,000					
	PERSONAL & ADV INJURY \$ 1,000,000					
GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						GENERAL AGGREGATE \$ 3,000,000
						PRODUCTS - COM/PROP AGG \$ 3,000,000
						\$
<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$
						BODILY INJURY (Per person) \$
						BODILY INJURY (Per accident) \$
						PROPERTY DAMAGE (Per accident) \$
						\$
<b>UMBRELLA LIAB</b> <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE						EACH OCCURRENCE \$
						AGGREGATE \$
						\$
<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N/A						VIC STATUTORY LIMITS \$
						OTHER \$
						E.L. EACH ACCIDENT \$
						E.L. DISEASE - EA EMPLOYEE \$
						E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

For church event at Kimball Park Bowl E. 12th St. &amp; D Ave, National City, CA. on 05/03/2018

Additional Insured: "The City of National City, its officials, agents, employees and volunteers"

**CERTIFICATE HOLDER****CANCELLATION**

Additional Insured: City of National City, C/O Risk Management Department 1243 National City Boulevard National City, CA 91950-4397	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE Kim S. Mather 04-608

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ACORD 25 (2010/05)

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**CITY OF NATIONAL CITY  
NEIGHBORHOOD SERVICES DEPARTMENT  
APPLICATION FOR A TEMPORARY USE PERMIT  
RECOMMENDATIONS AND CONDITIONS**

**SPONSORING ORGANIZATION:** First Christian Church of National City  
**EVENT:** National Day of Prayer  
**DATE OF EVENT:** May 3, 2018

**APPROVALS:**

DEVELOPMENT SERVICES	YES [x]	NO [ ]	SEE CONDITIONS [x]
RISK MANAGER	YES [x]	NO [ ]	SEE CONDITIONS [x]
PUBLIC WORKS	YES [x]	NO [ ]	SEE CONDITIONS [x]
FINANCE	YES [x]	NO [ ]	SEE CONDITIONS [x]
FIRE	YES [x]	NO [ ]	SEE CONDITIONS [x]
POLICE	YES [x]	NO [ ]	SEE CONDITIONS [x]
CITY ATTORNEY	YES [x]	NO [ ]	SEE CONDITIONS [x]
COMMUNITY SERVICES	YES [x]	NO [ ]	SEE CONDITIONS [ ]
NEIGHBORHOOD SERVICES	YES [x]	NO [ ]	SEE CONDITIONS [x]

**CONDITIONS OF APPROVAL:**

**DEVELOPMENT SERVICES (619) 336-4318**

**Building**

No comments

**Planning**

All lighting and speakers shall face away from nearby residential properties. All activities shall comply with Title 12 (Noise) of the National City Municipal Code.

**Engineering**

No comments

**POLICE DEPARTMENT**

The Police Department has no stipulations. The on-duty patrol squad will provide extra patrol, calls for service permitting.

**CITY ATTORNEY**

Approved on condition that Risk Manager approves.



## **COMMUNITY SERVICES**

No involvement

## **NEIGHBORHOOD SERVICES**

***Neighborhood Notifications*** – Events are required to notify residents and/or businesses of the surrounding impacted areas by the event. The notice shall include the name of the event, name and phone number of the company/organization producing the event, the dates and times of the event (including set-up and breakdown) and a detailed description of how the residents and/or businesses may be affected, such as by street closures, “No Parking” signs being posted, music at the event, etc.

## **RISK MANAGER (619) 336-4370**

Risk Management has reviewed the above captioned request to for the issuance of a Temporary Use Permit. It is recommended that as a condition of the issuance of the permit that the following documents must be provided:

- A valid copy of the Certificate of Liability Insurance.
- The applicant must provide a separate additional insured endorsement wherein it notes as the additional insured as “The City of National City, its officials, agents, employees and volunteers”.
- That the insurance policy must have a combined single limit of no less than \$1,000,000.00 (ONE MILLION DOLLARS) and \$2,000,000.00 (TWO MILLION DOLLARS) in aggregate that would cover the date and location of the event
- That the insurance company issuing the insurance policy must have a A.M. Best’s Guide Rating of A:VII and that the insurance company is a California admitted company; if not then insurance policy must be submitted to the Risk Management Department for review and approval prior to the issuance of the Temporary Use Permit.
- The Certificate Holder must reflect:  
City of National City  
c/o Risk Manager  
1243 National City Boulevard  
National City, CA. 91950-4301



**PUBLIC WORKS (619)366-4580**

**Street Division**

No involvement

**Facilities Division**

3 hours x \$20.00 = \$60.00 for electrical use. No man hours needed.

**Parks Division**

One staff to mark irrigation valves (2 hours at regular time  $\$31.05 \times 2 = \$62.10$ )

The organization is responsible for litter control.

No other request for parks at this time.

Total= \$62.10

**FINANCE**

First Christian Church of National City will need to apply for a business license.

**FIRE (619) 336-4550**

No Comments for this submittal. Changes will require a new review and possible stipulations.

The following page(s) contain the backup material for Agenda Item: Temporary Use Permit — St. Anthony of Padua Church presentation of the “Live Stations of the Cross” starting at 410 W. 18th Street on March 30, 2018 from 3 p.m. to 4 p.m. with no waiver of fees. (Neighborhood Services)

**CITY OF NATIONAL CITY, CALIFORNIA  
COUNCIL AGENDA STATEMENT**

**MEETING DATE:** March 6, 2018

**AGENDA ITEM NO.**

**ITEM TITLE:**

Temporary Use Permit — St. Anthony of Padua Church presentation of the “Live Stations of the Cross” starting at 410 W. 18<sup>th</sup> Street on March 30, 2018 from 3 p.m. to 4 p.m. with no waiver of fees.

**PREPARED BY:** Dionisia Trejo

**DEPARTMENT:** Neighborhood Services Department

**PHONE:** (619) 336-4255

**APPROVED BY:** 

**EXPLANATION:**

This is a request from St. Anthony of Padua's Church to conduct it's representation of the passion and death of Jesus Christ on March 30, 2018 from 3 p.m. to 4 p.m. Event begins on church grounds; followers will start the church walk on Harding Avenue going northbound until reaching W.16<sup>th</sup> Street. The church walk will then continue westbound on W.16<sup>th</sup> Street where they will turn south going onto Wilson Avenue. The walk will then continue southbound on Wilson Avenue to end inside St. Anthony's parking lot on the corner of Wilson Avenue & W.19<sup>th</sup> Street. During the walk, amplified sound will be used for certain prayers to reflect the presentation and the incidents from station to station.

Note: This event was approved by Council in 2017 with no waiver of fees.

**FINANCIAL STATEMENT:**

**APPROVED:** \_\_\_\_\_ **Finance**

**ACCOUNT NO.**

**APPROVED:** \_\_\_\_\_ **MIS**

City fee of \$237.00 for processing the TUP through various City departments, plus \$716.40 for Police Department.

Total Fees: \$953.40

**ENVIRONMENTAL REVIEW:**

N/A

**ORDINANCE:** INTRODUCTION: ☐

**FINAL ADOPTION:** ☐

**STAFF RECOMMENDATION:**

Approve the Application for a Temporary Use Permit subject to compliance with all conditions of approval with no waiver of fees or in accordance to City Council Policy 802.

**BOARD / COMMISSION RECOMMENDATION:**

N/A

**ATTACHMENTS:**

Application for a Temporary Use Permit with recommended approvals and conditions of approval.





City of National City ■ Neighborhood Services Department  
1243 National City Boulevard ■ National City, CA 91950  
(619) 336-4364 ■ fax (619) 336-4217  
www.nationalcityca.gov

## Special Event Application

### Type of Event

- ☐ Fair/Festival    ☐ Parade/March    ☐ Walk or Run    ☐ Concert/Performance  
☐ TUP    ☐ Sporting Event    ☒ Other (specify) Community Event

### Event Name & Location

Event Title Live Stations of the Cross

Event Location (list all sites being requested) St. Anthony of Padua Church

### Event Times

#### Set-Up Starts

Date n/a Time \_\_\_\_\_ Day of Week \_\_\_\_\_

#### Event Starts

Date 03/30/2018 Time 3:00PM Day of Week Friday

#### Event Ends

Date 03/30/2018 Time 4:00PM Day of Week Friday

#### Breakdown Ends

Date n/a Time \_\_\_\_\_ Day of Week \_\_\_\_\_

RECEIVED

FEB 01 2018

Neighborhood Services Department  
City of National City

### Applicant Information

Applicant (Your name) Rev. Jose Edmundo Zarate Sponsoring Organization St. Anthony of Padua

Event Coordinator (if different from applicant) Judith Navarro

Mailing Address 410 W. 18th Street National City, CA 91950

Day Phone 619-477-4520 After Hours Phone 619-267-2820 Cell \_\_\_\_\_ Fax 619-477-8708

Public Information Phone 619-477-4520 E-mail stanthonyofpadua@sbcglobal.net

Applicant agrees to investigate, defend, indemnify and hold harmless the City, its officers, employees and agents from and against any and all loss, damage, liability, claims, demands, detriments, costs, charges, expense (including attorney's fees) and causes of action of any character which the City, its officers, employees and agents may incur, sustain or be subjected to on account of loss or damage to property or the loss of use thereof and for bodily injury to or death of any persons (including but not limited to the employees, subcontractors, agents and invitees of each party hereto) arising out of or in any way connected to the occupancy, enjoyment and use of any City premises under this agreement to the extent permitted by law.

Applicant understands this TUP/special event may implicate fees for City services, which will have to be paid in the City's Finance Department 48 hours prior to the event set-up. The undersigned also understands and accepts the City's refund policy for application processing and facility use and that fees and charges are adjusted annually and are subject to change.

Signature of Applicant: \_\_\_\_\_ Date Feb 1, 2018



## Special Event Application (continued)

Please complete the following sections with as much detail as possible since fees and requirements are based on the information you provide us.

### Fees/Proceeds/Reporting

Is your organization a "Tax Exempt, nonprofit" organization? Yes ☒ No ☐

Are admission, entry, vendor or participant fees required? Yes ☐ No ☒

If YES, please explain the purpose and provide amount (s):

\$ n/a Estimated Gross Receipts including ticket, product and sponsorship sales from this event.

\$ n/a Estimated Expenses for this event.

\$ n/a What is the projected amount of revenue that the Nonprofit Organization will receive as a result of this event?

### Description of Event

☐ First time event ☒ Returning Event ☒ include site map with application

Note that this description may be published in our City Public Special Events Calendar:

Representation of the passion and death of Jesus Christ. The procession begins in front of  
St. Anthony's Church, parish volunteers and our community will participate in prayer and meditation.

### Estimated Attendance

Anticipated # of Participants: 50 Anticipated # of Spectators: 250

**Traffic Control, Security, First Aid and Accessibility**

Requesting to close street(s) to vehicular traffic? Yes ☐ No ☒

List any streets requiring closure as a result of the event (provide map): \_\_\_\_\_

Date and time of street closure: \_\_\_\_\_ Date and time of street reopening: \_\_\_\_\_

☒ Other (explain) Traffic control will be needed as procession moves along Harding Ave, 17th, 16th St, and Wilson Avenue (Map enclosed)

Requesting to post "no parking" notices? Yes ☐ No ☒

☐ Requested "No Parking" on city streets and/or parking lots (list streets/parking lots) (provide map): \_\_\_\_\_

☐ Other (explain) \_\_\_\_\_

**Security and Crowd Control**

Depending on the number of participants, your event may require Police services.

Please describe your procedures for both Crowd Control and Internal Security: \_\_\_\_\_

Volunteers & parish staff will be in charge of crowd control and will rely on \_\_\_\_\_

National City Police for emergencies.

Have you hired Professional Security to handle security arrangements for this event?

Yes ☐ No ☒ If YES, name and address of Security Organization \_\_\_\_\_

Security Director (Name): \_\_\_\_\_ Phone: \_\_\_\_\_

If using the services of a professional security firm AND the event will occur on City property, please provide a copy of its insurance certificate, evidencing liability with limits of at least \$1 Million dollars per occurrence/\$2 Million dollars aggregate, as well as and additional insured endorsement naming the City of National City, its officers, employees, and agents as additional insureds. Evidence of insurance must be provided by the vendor or its insurer to the City's Risk Manager for review and approval prior to the event.

Is this a night event? Yes ☐ No ☒ If YES, please state how the event and surrounding area will be illuminated to ensure safety of the participants and spectators: \_\_\_\_\_

### First Aid

Depending on the number of participants, your event may require specific First Aid services.

First aid station to be staffed by event staff? Yes ☒ No ☐ First aid/CPR certified? Yes ☐ No ☒

☐ First aid station to be staffed by professional company. ► Company \_\_\_\_\_

### Accessibility

Please describe your Accessibility Plan for access at your event by individuals with disabilities:

Route in which the procession will take place is on the city street and is accessible

for individuals with disabilities

### Elements of your Event

Setting up a stage? Yes ☐ No ☒

☐ Requesting City's PA system

☐ Requesting City Stage; if yes, which size? ☐ Dimensions (13x28) ☐ Dimensions (20x28)

☐ Applicant providing own stage ► \_\_\_\_\_ (Dimensions)

Setting up canopies or tents?

\_\_\_\_\_ # of canopies size \_\_\_\_\_

\_\_\_\_\_ # of tents size \_\_\_\_\_

☐ No canopies/tents being set up

Setting up tables and chairs?

☐ Furnished by Applicant or Contractor

\_\_\_\_\_ # of tables ☒ No tables being set up

\_\_\_\_\_ # of chairs ☒ No chairs being set up

☐ (For City Use Only) Sponsored Events – Does not apply to co-sponsored events

\_\_\_\_\_ # of tables ☐ No tables being set up

\_\_\_\_\_ # of chairs ☐ No chairs being set up

Contractor Name \_\_\_\_\_

Contractor Contact Information \_\_\_\_\_  
Address City/State Phone Number

**Setting up other equipment?**

- ☐ Sporting Equipment (explain) \_\_\_\_\_
- ☐ Other (explain) \_\_\_\_\_
- ☒ Not setting up any equipment listed above at event

**Having amplified sound and/or music? Yes ☐ No ☒**

- ☐ PA System for announcements ☐ CD player or DJ music
- ☐ Live Music ▶ ☐ Small 4-5 piece live band ▶ ☐ Large 6+ piece live band
- ☐ Other (explain) \_\_\_\_\_

If using live music or a DJ. ▶ Contractor Name \_\_\_\_\_

▶ \_\_\_\_\_

Address City/State Phone Number

**Using lighting equipment at your event? Yes ☐ No ☒**

- ☐ Bringing in own lighting equipment
- ☐ Using professional lighting company ▶ Company Name \_\_\_\_\_
- Address City/State Phone Number

**Using electrical power? Yes ☐ No ☒**

- ☐ Using on-site electricity ☐ For sound and/or lighting ☐ For food and/or refrigeration
- ☐ Bringing in generator(s) ☐ For sound and/or lighting ☐ For food and/or refrigeration

**Vendor Information**

**PLEASE NOTE:** You may be required to apply for a temporary health permit if food or beverages are sold or given away during your special event. Also see 'Permits and Compliance' on page 8 in the Special Event Guide. For additional information on obtaining a temporary health permit, please contact the County of San Diego Environmental Health at (619) 338-2363.

**Having food and non-alcoholic beverages at your event? Yes ☐ No ☒**

- ☐ Vendors preparing food on-site ▶ # \_\_\_\_\_ ▶ Business License # \_\_\_\_\_

If yes, please describe how food will be served and/or prepared: \_\_\_\_\_

If you intend to cook food in the event area please specify the method:  
☐ GAS ☐ ELECTRIC ☐ CHARCOAL ☐ OTHER (Specify): \_\_\_\_\_

- ☐ Vendors bringing pre-packaged food ▶ # \_\_\_\_\_ ▶ Business License # \_\_\_\_\_
- ☐ Vendors bringing bottled, non-alcoholic beverages (i.e., bottled water, can soda, etc.) ▶ # \_\_\_\_\_
- ☐ Vendors selling food # \_\_\_\_\_ ▶ Business License #(s) \_\_\_\_\_
- ☐ Vendors selling merchandise # \_\_\_\_\_ ▶ Business License #(s) \_\_\_\_\_



- ☐ Food/beverages to be handled by organization; no outside vendors
- ☐ Vendors selling services # \_\_\_\_\_ ▶ Business License #(s) \_\_\_\_\_
- ▶ Explain services \_\_\_\_\_
- ☐ Vendors passing out information only (no business license needed) # \_\_\_\_\_
- ▶ Explain type(s) of information \_\_\_\_\_
- ☒ No selling or informational vendors at event

Having children activities? Yes ☐ No ☒

**PLEASE NOTE:** In the event inflatable jumps are provided at the event, The City of National City requires commercial liability insurance with limits of at least \$1 Million dollars per occurrence/\$2 Million dollars aggregate. In addition, the City of National City must be named as an Additional Insured pursuant to a separate endorsement, which shall be provided by the vendor or its insurer to the City's Risk Manager, along with the Certificate of Insurance, for approval prior to the event. The application should be filed out at least one week prior to the event. There is a \$25 fee to process the permit application. For questions or to obtain a copy of the "Facility Use Application", please contact the Engineering/Public Works Department at (619) 336-4580.

- ☐ Inflatable bouncer house # \_\_\_\_\_ ☐ Rock climbing wall Height \_\_\_\_\_
- ☐ Inflatable bouncer slide # \_\_\_\_\_ ☐ Arts & crafts (i.e., craft making, face painting, etc.)
- ☐ Other \_\_\_\_\_

Having fireworks or aerial display? Yes ☐ No ☒

- ☐ Vendor name and license # \_\_\_\_\_
- Dimensions \_\_\_\_\_ Duration \_\_\_\_\_
- Number of shells \_\_\_\_\_ Max. size \_\_\_\_\_

**PLEASE NOTE:** In the event fireworks or another aerial display is planned for your event, The City of National City requires commercial liability insurance with limits of at least \$2 Million dollars per occurrence/ \$4 Million dollars aggregate. In addition, the City of National City must be named as an Additional Insured pursuant to a separate endorsement, which shall be provided by the vendor or its insurer to the City's Risk Manager, along with the Certificate of Insurance, for approval prior to the event. Depending on the size and/or nature of the fireworks display, the City reserves the right to request higher liability limits. The vendor must also obtain a fireworks permit from the National City Fire Department and the cost is \$502.00

Arranging for media coverage? Yes ☐ No ☒

- ☐ Yes, but media will not require special set-up
- ☐ Yes, media will require special set-up. Describe \_\_\_\_\_

## Event Signage

**PLEASE NOTE:** For City sponsored or co-sponsored events, banners publicizing the event may be placed on the existing poles on the 1800 block and 3100 block of National City Boulevard. The banners must be made to the City's specifications. Please refer to the City's Special Event Guidebook and Fee Schedule for additional information.

Are you planning to have signage at your event? Yes ☐ No ☒

☐ Yes, we will post signage # \_\_\_\_\_ Dimensions \_\_\_\_\_

☐ Yes, having inflatable signage # \_\_\_\_\_ ► (complete Inflatable Signage Request form)

☐ Yes, we will have banners # \_\_\_\_\_

☐ What will signs/banners say? \_\_\_\_\_

☐ How will signs/banners be anchored or mounted? \_\_\_\_\_

## Waste Management

**PLEASE NOTE:** One toilet for every 250 people is required, unless the applicant can show that there are sufficient facilities in the immediate area available to the public during the event.

Are you planning to provide portable restrooms at the event? Yes ☐ No ☒

If yes, please identify the following:

► Total number of portable toilets: \_\_\_\_\_

► Total number of ADA accessible portable toilets: \_\_\_\_\_

☐ Contracting with portable toilet vendor. ► \_\_\_\_\_

► Load-in Day & Time \_\_\_\_\_ Company \_\_\_\_\_ Phone \_\_\_\_\_  
► Load-out Day & Time \_\_\_\_\_

☐ Portable toilets to be serviced. ► Time \_\_\_\_\_

## Set-up, Breakdown, Clean-up

**Setting up the day before the event?**

☐ Yes, will set up the day before the event. ► # of set-up day(s) \_\_\_\_\_

☒ No, set-up will occur on the event day

**Requesting vehicle access onto the turf?**

☐ Yes, requesting access onto turf for set-up and breakdown (complete attached Vehicle Access Request form)

☒ No, vehicles will load/unload from nearby street or parking lot.

## NPDES-Litter Fence

- ☐ City to install litter fence
- ☐ Applicant to install litter fence
- ☒ N/A

### Breaking down set-up the day after the event?

- ☐ Yes, breakdown will be the day after the event. ► # of breakdown day(s) \_\_\_\_\_
- ☒ No, breakdown will occur on the event day.

### How are you handling clean-up?

- ☐ Using City crews
- ☒ Using volunteer clean-up crew during and after event.
- ☐ Using professional cleaning company during and after event.

## Miscellaneous

Please list anything important about your event not already asked on this application:

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**Please make a copy of this application for your records.  
We do not provide copies.**



# Special Events

## Pre-Event Storm Water Compliance Checklist

### I. Special Event Information

Name of Special Event: <u>Live Stations of the Cross</u>	
Event Address: <u>410 W. 18th Street National City</u>	Expected # of Attendees: <u>250</u>
Event Host/Coordinator: <u>Rev. Jose Edmundo Zarate- Suarez</u>	Phone Number: <u>619-477-4520</u>

### II. Storm Water Best Management Practices (BMPs) Review

	YES	NO	N/A
<b>Will enough trash cans provided for the event?</b> Provide number of trash bins: _____	n/a		n/a
<b>Will enough recycling bins provided for the event?</b> Provide number of recycle bins: _____	n/a	n/a	n/a
<b>Will all portable toilets have secondary containment trays? (exceptions for ADA compliant portable toilets)</b>	n/a	n/a	n/a
<b>Do all storm drains have screens to temporarily protect trash and debris from entering?</b>	n/a	n/a	n/a
<b>Are spill cleanup kits readily available at designated spots?</b>	n/a	n/a	n/a

\* A Post-Event Storm Water Compliance Checklist will be completed by City Staff.



# City of National City

## PUBLIC PROPERTY USE HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

Persons requesting use of City property, facilities or personnel are required to provide a minimum of \$1,000,000 combined single limit insurance for bodily injury and property damage which includes the City, its officials, agents and employees named as additional insured and to sign the Hold Harmless Agreement. Certificate of insurance must be attached to this permit. The insurance company issuing the insurance policy must have a A.M. Best's Guide Rating of A:VII and that the insurance company is a California admitted company; if not, then the insurance policy to the issuance of the permit for the event. The Certificate Holder must reflect:

City of National City  
Risk Management Department  
1243 National City Boulevard  
National City, CA 91950

Organization: St. Anthony of Padua

Person in Charge of Activity: Rev. Jose Edmundo Zarate- Suarez

Address: 410 W. 18th Street National City, CA 91950

Telephone: 619-477-4520 Date(s) of Use: 3/30/2018

### HOLD HARMLESS AGREEMENT

As a condition of the issuance of a temporary use permit to conduct its activities on public or private property, the undersigned hereby agree(s) to defend, indemnify and hold harmless the City of National City and the Parking Authority and its officers, employees and agents from and against any and all claims, demands, costs, losses, liability or, for any personal injury, death or property damage, or both, or any litigation and other liability, including attorneys fees and the costs of litigation, arising out of or related to the use of public property or the activity taken under the permit by the permittee or its agents, employees or contractors.

Signature of Applicant: 

Official Title: Pastor

Date: Feb 01, 2018

*For Office Use Only*

Certificate of Insurance Approved \_\_\_\_\_ Date \_\_\_\_\_

100 ft



**410 W 18th St  
National City, CA 91950**



**CITY OF NATIONAL CITY  
NEIGHBORHOOD SERVICES DEPARTMENT  
APPLICATION FOR A TEMPORARY USE PERMIT  
RECOMMENDATIONS AND CONDITIONS**

**SPONSORING ORGANIZATION: St. Anthony of Padua**  
**EVENT: Live Stations of the Cross**  
**DATE OF EVENT: March 30, 2018**

---

**APPROVALS:**

DEVELOPMENT SERVICES	YES [ x ]	NO [ ]	SEE CONDITIONS [ ]
RISK MANAGER	YES [ x ]	NO [ ]	SEE CONDITIONS [ x ]
PUBLIC WORKS	YES [ x ]	NO [ ]	SEE CONDITIONS [ ]
FINANCE	YES [ x ]	NO [ ]	SEE CONDITIONS [ x ]
FIRE	YES [ x ]	NO [ ]	SEE CONDITIONS [ ]
POLICE	YES [ x ]	NO [ ]	SEE CONDITIONS [ x ]
CITY ATTORNEY	YES [ x ]	NO [ ]	SEE CONDITIONS [ x ]
COMMUNITY SERVICES	YES [ x ]	NO [ ]	SEE CONDITIONS [ ]
NEIGHBORHOOD SERVICES	YES [ x ]	NO [ ]	SEE CONDITIONS [ x ]

---

**CONDITIONS OF APPROVAL:**

**DEVELOPMENT SERVICES (619) 336-4318**

**Building**

No concerns

**Planning**

No comments

**Engineering**

Engineering has no comments, as we see the NCPD will handle the traffic control.

**CITY ATTORNEY**

Approved on condition that Risk Manager approves.

**COMMUNITY SERVICES**

No involvement

## **POLICE DEPARTMENT**

Based on the information provided, the recommendation would be that two officers be assigned to the procession for a period of four hours in order to provide a safe traffic break as the procession makes its way around the proposed route. The current officer rate is attached below:

### **Police Department Overtime Costs –**

The total cost for police services for two Police Officers, will be \$716.40.

The breakdown is for (4) hours on scene and ½ hour total for donning and doffing. That would be for a total of (9) hours of overtime, at a pay rate of \$79.60 per hour.

*\*\*Four hours of overtime and 30 minutes of Donning and Doffing is the minimum per the NCPOA MOU.\*\**

## **NEIGHBORHOOD SERVICES**

***Neighborhood Notifications*** – Events are required to notify residents and/or businesses of the surrounding impacted areas by the event. The notice shall include the name of the event, name and phone number of the company/organization producing the event, the dates and times of the event (including set-up and breakdown) and a detailed description of how the residents and/or businesses may be affected, such as by street closures, “No Parking” signs being posted, music at the event, etc.

## **PUBLIC WORKS (619)366-4580**

No involvement

## **FINANCE**

No comments



## **RISK MANAGER (619) 336-4370**

Risk Management has reviewed the above captioned request to for the issuance of a Temporary Use Permit. It is recommended that as a condition of the issuance of the permit that the following documents must be provided:

- A valid copy of the Certificate of Liability Insurance.
- The applicant must provide a separate additional insured endorsement wherein it notes as the additional insured as "The City of National City, its officials, agents, employees and volunteers".
- That the insurance policy must have a combined single limit of no less than \$1,000,000.00 (ONE MILLION DOLLARS) and \$2,000,000.00 (TWO MILLION DOLLARS) in aggregate that would cover the date and location of the event
- That the insurance company issuing the insurance policy must have a A.M. Best's Guide Rating of A:VII and that the insurance company is a California admitted company; if not then insurance policy must be submitted to the Risk Management Department for review and approval prior to the issuance of the Temporary Use Permit.
- The Certificate Holder must reflect:  
City of National City  
c/o Risk Manager  
1243 National City Boulevard  
National City, CA. 91950-4301

## **FIRE (619) 336-4550**

**NO INSPECTION REQUIRED  
NO CHARGE FOR THIS EVENT**

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Stipulations required by the Fire Department for this event are as follows:

- 1) Maintain Fire Department access at all times.
- 2) Means of egress shall not be obstructed in any manner and shall remain free of any material or matter where its presence would obstruct or render the means of egress hazardous.
- 3) Access for Fire Department shall be maintained at all times. At no time shall fire lanes, fire hydrants, fire protection systems of all types etc. be obstructed at any time. A minimum of 20 feet wide shall be maintained for the use of fire lanes.

If you have any questions please feel free to contact me.

The following page(s) contain the backup material for Agenda Item: Warrant Register #30 for the period of 01/17/18 through 01/23/18 in the amount of \$807,494.69. (Finance)

**CITY OF NATIONAL CITY, CALIFORNIA  
COUNCIL AGENDA STATEMENT**

**MEETING DATE:** March 6, 2018

**AGENDA ITEM NO.:**

**ITEM TITLE:**

Warrant Register #30 for the period of 01/17/18 through 01/23/18 in the amount of \$807,494.69.  
(Finance)

**PREPARED BY:** Karla Apalategui, Accounting Assistant

**DEPARTMENT:** Finance

**PHONE:** 619-336-4572

**APPROVED BY:** \_\_\_\_\_

**EXPLANATION:**

Per Government Section Code 37208, attached are the warrants issued for the period of 01/17/18 through 01/23/18.

Consistent with Department of Finance, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check/Wire</u>	<u>Amount</u>	<u>Explanation</u>
Sonray Machinery LLC	332607	128,991.58	Backhoe Loader for Public Works
Tyler Technologies Inc	332623	59,122.35	Eden Support Plus Renewal

**FINANCIAL STATEMENT:**

**APPROVED:** \_\_\_\_\_ **FINANCE**

**ACCOUNT NO.**

**APPROVED:** \_\_\_\_\_ **MIS**

Warrant total \$807,494.69.

**ENVIRONMENTAL REVIEW:**

This is not a project and, therefore, not subject to environmental review.

**ORDINANCE:**    **INTRODUCTION** ☐    **FINAL ADOPTION** ☐

**STAFF RECOMMENDATION:**

Ratify warrants totaling \$807,494.69

**BOARD / COMMISSION RECOMMENDATION:**

**ATTACHMENTS:**

Warrant Register #30



**WARRANT REGISTER #30**  
**1/23/2018**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
ACE UNIFORMS & ACCESSORIES INC	NEW HIRE SUPPLIES / PD	332510	1/23/18	1,551.46
ADDICTION MEDICINE	MEDICAL SERVICES / HR	332511	1/23/18	248.50
AFUYOG, NYLIE	REFUND OF PERMIT INSPECTION / BUILDING	332512	1/23/18	935.86
AK & COMPANY	FY2017 SB90 MANDATED COST CLAIMS	332513	1/23/18	3,500.00
ALDEMCO	FOOD / NUTRITION CENTER	332514	1/23/18	2,927.90
ALL FRESH PRODUCTS	FOOD / NUTRITION CENTER	332515	1/23/18	312.56
ALPHA PROJECT FOR THE HOMELESS	ALPHA PROJECT EXP REIMB / NOVEMBER	332516	1/23/18	5,971.64
ANDREWS, J	TRAINING ADV LODGING MARIJUANA DUI / PD	332517	1/23/18	376.03
ARJIS	FY 1ST QUARTER FEES	332518	1/23/18	2,824.35
ASCAP	LICENSE FEE (JAN-DEC 2018)	332520	1/23/18	694.00
AT&T	AT&T SBC PHONE SERVICE FOR NOVEMBER 2017	332521	1/23/18	352.85
AT&T	AT&T SBC PHONE SERVICE FOR NOVEMBER 2017	332522	1/23/18	83.30
ATKINS NORTH AMERICA INC	ALLEY DESIGN SERVICES PROJECT	332523	1/23/18	689.08
BLACKIE'S TROPHIES AND AWARDS	MOP 67727 GENERAL SUPPLIES PW	332524	1/23/18	143.97
CALIFORNIA COMMERCIAL SECURITY	ELECTRONIC DOOR LOCK INSTALLATION / PW	332525	1/23/18	966.13
CALIFORNIA ELECTRIC SUPPLY	MO P45698 ELECTRIC SUPPLIES PW	332526	1/23/18	105.92
CALLYO 2009 CORP	CALLYO SERVICE / PD	332527	1/23/18	1,580.00
CASAS, LAURA	INTERPRETATION SERVICES / 12-19-2017	332528	1/23/18	125.00
CDWG	PHILLIPS SIGNAGE SOLUTIONS 43BDL4051T / MIS	332529	1/23/18	2,699.23
CDWG	SALES TAX	332530	1/23/18	235.57
CEPA OPERATIONS INC	FUME HOOD / PD	332531	1/23/18	195.00
CHILDREN'S HOSPITAL	SEXUAL ASSAULT TESTS / PD	332532	1/23/18	947.00
CLF WAREHOUSE INC	80331 AUTO SUPPLIES PW	332533	1/23/18	1,821.78
COMMERCIAL AQUATIC SERVICE INC	CHEMICAL SUPPLIES FOR POOL / PW	332534	1/23/18	1,429.82
COTTONWOOD ELECTRIC CART SVC	NEW HAULER CARTS FOR PUBLIC WORKS	332535	1/23/18	13,614.92
COUNTY OF SAN DIEGO	UNIFIED PROGRAM FAC. PERMIT	332536	1/23/18	703.00
COUNTY OF SAN DIEGO	REGIONAL COMMUNICATIONS SYSTEM / NOV	332537	1/23/18	18,012.00
COUNTY OF SAN DIEGO	MAIL PROCESSING SERVICES / NOV 2017	332538	1/23/18	2,036.45
COX COMMUNICATIONS	COX DATA SERVICES FOR DECEMBER 2017	332539	1/23/18	833.65
CPOA	CAPT ESPIRITU CPOA DUES	332540	1/23/18	250.00
CSAC EXCESS INS AUTHORITY	PREMIUM - WORKERS COMPENSATION	332541	1/23/18	9,226.00
CULLIGAN	WATER SOFTENER / NUTRITION	332542	1/23/18	234.50
CWEA MEMBERSHIP	MEMBERSHIP RENEWAL / PW	332543	1/23/18	180.00
DEPT OF JUSTICE	FINGERPRINTING SERVICE / PD	332544	1/23/18	454.00
DESERT VETERINARY SPECIALISTS	SERVICES FOR POLICE CANINE MARKO	332545	1/23/18	1,896.33
DIMENSION DATA	PD CABLING / MIS	332546	1/23/18	2,970.00
D-MAX ENGINEERING	STORMWATER SERVICES	332547	1/23/18	27,766.64
DUNBAR ARMORED INC	ARMORED SERVICES JAN 2018- FINANCE	332548	1/23/18	256.21
DURAN, D	EDUCATIONAL REIMBURSEMENT	332549	1/23/18	825.00
EPLUS TECHNOLOGY INC	VEEAM BACKUP AND REPL FOR VMWARE / MIS	332550	1/23/18	23,133.60
EQUIFAX INFORMATION SVCS	CREDIT CHECKS / S8	332551	1/23/18	101.95
EXPERIAN	CREDIT CHECKS NEW HIRES / POLICE	332552	1/23/18	65.36
EXPRESS PIPE AND SUPPLY CO INC	CITY WIDE PLUMBING PARTS / PW	332553	1/23/18	111.56
FEDEX	SHIPPING SERVICES / CSD	332554	1/23/18	23.23
FIRE ETC	STATION BOOTS / FIRE	332555	1/23/18	288.19
FON JON PET CARE CENTER	BOARDING FOR POLICE CANINES	332556	1/23/18	1,295.00
GALE SAFLAR	T&A # 90284 REFUND / ENG	332557	1/23/18	30,464.45
GEOSYNTEC CONSULTANTS INC	EDUCATION VILLAGE REDEVELOP PROJECT	332558	1/23/18	4,581.65
GLOBAL POWER	GENERATOR MAINTENANCE	332559	1/23/18	1,311.78
GOVCONNECTION INC	SURFACE PRO / MIS	332560	1/23/18	2,156.62





**WARRANT REGISTER #30**  
**1/23/2018**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
GRAINGER	MOP65179 GENERAL SUPPLIES PW	332561	1/23/18	2,712.53
GRANFONDO CYCLING TOURS INC	REFUND / TUP OVERPAYMENT - ROCK THE BAY	332562	1/23/18	4,222.96
HARRIS & ASSOCIATES INC	PARADISE VALLEY CREEK QUALITY PROJECT	332563	1/23/18	43,073.75
HUNTER'S NURSERY INC	MOP 45719 LANDSCAPE SUPPLIES / PW	332564	1/23/18	244.53
IDVILLE	ID MAKER RIBBON / PD	332565	1/23/18	289.13
INNOVATIVE CONSTRUCTION	ALLEYS AND MISC PROJECT	332566	1/23/18	34,356.00
INTERNATIONAL INSTITUTE OF CODE	MEMBERSHIP DUES / CITY CLERK'S OFFICE	332567	1/23/18	215.00
IRON MOUNTAIN	RECORDS MANAGEMENT & STORAGE / JAN 2018	332568	1/23/18	184.50
JJJ ENTERPRISES	FIRE AND SECURITY ALARM MONITORING / MIS	332569	1/23/18	450.00
KALANKIEWICZ, C	TRAINING ADV LODGING ICI GANG FOUNDATION	332570	1/23/18	661.25
KIMLEY HORN AND ASSOC INC	NC CITYWIDE SPEED PROJECT	332571	1/23/18	1,298.05
KONICA MINOLTA	KONICA MINOLTA COPIER EQUIPMENT LEASE	332572	1/23/18	10,692.01
KREPPS, B	EDUCATION REIMBURSEMENT	332573	1/23/18	660.00
KTUA	NCDOWNTOWN SPECIFIC PLAN	332574	1/23/18	41,262.63
L N CURTIS & SONS	WILDLAND PANTS: STOUT / FIRE	332575	1/23/18	314.29
LANGUAGE LINE SERVICES	DECEMBER 2017 TRANSLATIONS SERVICE	332576	1/23/18	108.05
LASER SAVER INC	MOP LASER SAVER PRINTER REPAIR PD	332577	1/23/18	251.30
LEXIPOL LLC	OCT 2017 PROJ MGMT	332578	1/23/18	1,489.50
LOPEZ, TERESA YOLANDA	INTERPRETATION SERVICES / 12-19-2017	332579	1/23/18	160.00
MAN K9 INC	JANUARY PATROL TRAINING / PD	332580	1/23/18	1,040.00
MAYER REPROGRAPHICS	DOCUMENT SCAN TO FILE	332581	1/23/18	354.47
METRO FIRE & SAFETY	CITY WIDE ONSITE FIRE EXTINGUISHER	332582	1/23/18	44,970.35
MICHAEL BAKER INTERNATIONAL	PROFESSIONAL SERVICES	332583	1/23/18	3,880.00
NATIONAL CITY TROPHY	MOP NAME PLATES CALENDAR WINNERS / PD	332584	1/23/18	106.03
NETWRIX CORPORATION	NETWORK AUDITOR / MIS	332585	1/23/18	3,287.60
NV5 INC	SEWER RATE STUDY -ENG	332586	1/23/18	2,190.00
OLIVER PRODUCTS	HOME DELIVERED MEALS / NUTRITION	332587	1/23/18	1,870.50
ORKIN	PEST AND RODENT CONTROL SERVICES	332588	1/23/18	882.00
PACIFIC TELEMAGEMENT SERVICE	PAYPHONE SERVICES - JAN 2018	332589	1/23/18	78.00
PEACE OFFICERS RESEARCH	PORAC RESERVE OFFICER DUES	332590	1/23/18	80.00
PENSKE FORD	MOP 49078 AUTO SUPPLIES PW	332591	1/23/18	259.54
PRUDENTIAL OVERALL SUPPLY	MOP# 45742. LAUNDRY SRV/ NSD	332592	1/23/18	1,782.58
RANDALL LAMB ASSOCIATES INC	NC ECM COMMISSIONING PROJECT	332593	1/23/18	4,205.30
RON TURLEY ASSOCIATES INC	RTA FLEET SOFTWARE UPGRADE	332594	1/23/18	11,025.00
ROUNDS, R	TRAINING REIMBURSEMENT LAW ENFORCEMENT	332595	1/23/18	169.50
S D COUNTY SHERIFF'S DEPT	CAL ID JAN 2018-JUNE 2018	332596	1/23/18	7,521.00
SAN DIEGO ICE MACHINES COMPANY	INV 7115549 / SNOW FOR A KIMBALL HOLIDAY	332597	1/23/18	6,195.64
SAN DIEGO PET SUPPLY	MOP CANINE SUPPLIES PD	332598	1/23/18	774.82
SAN DIEGO UNION TRIBUNE	LEGAL NOTICES ADVERTISING / DEC 2017	332599	1/23/18	1,903.64
SDG&E	FACILITIES DIVISION GAS & ELECTRIC UTILITIES	332600	1/23/18	33,683.51
SEAPORT MEAT COMPANY	FOOD / NUTRITION CENTER	332601	1/23/18	1,206.92
SESAC INC	MUSIC PERFORMANCE LICENSE (JAN-DEC 2018)	332602	1/23/18	1,357.00
SIRCHIE FINGER PRINT	P&E SUPPLIES / POLICE	332603	1/23/18	887.59
SITEONE LANDSCAPE SUPPLY LLC	M OP 69277 LANDSCAPE SUPPLIES PW	332604	1/23/18	391.74
SMART & FINAL	MOP PD HOLIDAY GIVEAWAY	332605	1/23/18	251.87
SMART SOURCE OF CALIFORNIA LLC	MOP 63845 OFFICE SUPPLIES - FIN	332606	1/23/18	242.56
SONSRAY MACHINERY LLC	BACKHOE LOADER FOR PUBLIC WORKS	332607	1/23/18	128,991.58
SPOK INC	METROCALL USA MOBILITY PAGING SERVICE	332608	1/23/18	655.68
SPURLOCK LANDSCAPE ARCHITECTS	PARADISE CREEK PA CT	332609	1/23/18	14,043.75
STARTTECH COMPUTERS	MOP PD MIS SUPPLIE	332610	1/23/18	166.68



**WARRANT REGISTER #30**  
**1/23/2018**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
STILES, J	EDUCATION REIMBURSEMENT	332611	1/23/18	253.00
STOUT, Z	EDUCATION REIMBURSEMENT	332612	1/23/18	210.00
SUPERIOR READY MIX	COLD MIX ASPHALTS, TACK OIL, 3/8 SHEET	332613	1/23/18	844.76
SWEETWATER AUTHORITY	FACILITIES DIVISION WATER UTILITIES	332614	1/23/18	34,523.43
SWRCB	ANNUAL PERMIT FEE / PW	332615	1/23/18	11,195.00
SYMBOLARTS, LLC	BADGE REPLACEMENT / POLICE	332616	1/23/18	140.00
SYSCO SAN DIEGO INC	FOOD / NUTRITION CENTER	332617	1/23/18	4,486.41
TECHNOLOGY INTEGRATION GROUP	MIS SUPPLIES	332618	1/23/18	209.89
TELECOM LAW FIRM P C	PROFESSIONAL SERVICES-RIGHT-OF-WAY	332619	1/23/18	666.00
THE BANK OF NEW YORK MELLON	CUSTODIAN FEE 10/01/17 TO 12/31/17	332620	1/23/18	300.00
THE SHERWIN WILLIAMS CO	MOP 77816. SUPPLIES FOR FACILITIES	332621	1/23/18	152.96
TODD PIPE & SUPPLY LLC	CITY WIDE PLUMBING MATERIALS / PW	332622	1/23/18	616.75
TYLER TECHNOLOGIES INC	EDEN SUPPORT PLUS RENEWAL	332623	1/23/18	59,122.35
U S BANK	TRAINING - POLICE CREDIT CARD	332624	1/23/18	2,539.00
U S BANK	CREDIT CARD EXPENSES / POLICE	332625	1/23/18	3,093.17
U S BANK	CREDIT CARD EXPENSES / ENGINEERING	332626	1/23/18	39.03
UNDERGROUND SERVICE ALERT	UNDERGROUND SERVICE ALERT FY 2018	332627	1/23/18	645.35
VALLEY INDUSTRIAL SPECIALTIES	MOP 46453 BUILDING SUPPLIES PW	332628	1/23/18	289.85
VCA EMERGENCY ANIMAL HOSPITAL	EMERGENCY STRAY ANIMAL CARE	332629	1/23/18	739.64
VERIZON WIRELESS	VERIZON CELLULAR SERVICE DECEMBER 2017	332630	1/23/18	1,731.59
VISTA PAINT	MOP 68834 PAINTING SUPPLIES / PW	332631	1/23/18	213.66
WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES / FIRE	332632	1/23/18	1,838.59
WAXIE SANITARY SUPPLY	JANITORIAL SUPPLIES / PW	332633	1/23/18	1,993.96
WEST PAYMENT CENTER	INVESTIGATIONS PROGRAM	332634	1/23/18	585.00
WILLY'S ELECTRONIC SUPPLY	MOP #45763/ELECTRONIC SUPPLIES / MIS	332635	1/23/18	616.21
ARROWHEAD FORENSIC PRODUCTS	PROPERTY & EVIDENCE SUPPLIES / PD	332636	1/23/18	3,755.57
ABLE PATROL & GUARD	SECURITY GUARD SERVICE FOR FY2018 - LIBRARY	332637	1/23/18	1,930.30
ACE UNIFORMS & ACCESSORIES INC	SWAT UNIFORMS / PD	332638	1/23/18	436.30
AMAZON	BOOKS AS NEEDED FOR FY2018 - LIBRARY	332639	1/23/18	5,582.44
BAKER & TAYLOR	BOOKS AS NEEDED FOR FY2018 - LIBRARY	332640	1/23/18	986.02
BRODART CO	BOOKS FOR FY2018 - LIBRARY	332641	1/23/18	9.67
MIDWEST TAPE	AUDIO VISUAL MATERIALS FOR FY2018 - LIBRARY	332642	1/23/18	436.29
SIRSIDYNIX 774271	PATRON AND ITEM BARCODES - LIBRARY	332643	1/23/18	1,111.70
STAPLES BUSINESS ADVANTAGE	MOP 45704 - SUPPLIES FOR CHILDRENS DEPT	332644	1/23/18	162.70

**A/P Total 732,065.96**

**WIRED PAYMENTS**

ARCO BUSINESS SOLUTIONS	FUEL FOR CITY FLEET DECEMBER 2017	738477	1/17/18	26,456.93
THE BANK OF NEW YORK MELLON	HUD SECTION 108 LOAN PAYMENT	1192018	1/19/18	33,372.75

**SECTION 8 HAPS**

<b>Start Date</b>	<b>End Date</b>	
1/17/2018	1/23/2018	<b>15,599.05</b>

**GRAND TOTAL**

**\$ 807,494.69**

## **Certification**

IN ACCORDANCE WITH SECTION 37202, 37208, 372059 OF THE GOVERNMENT CODE, WE HEREBY CERTIFY TO THE ACCURACY OF THE DEMANDS LISTED ABOVE AND TO THE AVAILABILITY OF FUNDS FOR THE PAYMENT THEREOF AND FURTHER THAT THE ABOVE CLAIMS AND DEMANDS HAVE BEEN AUDITED AS REQUIRED BY LAW.



MARK ROBERTS, FINANCE

LESLIE DEESE, CITY MANAGER

### **FINANCE COMMITTEE**

RONALD J. MORRISON, MAYOR-CHAIRMAN

ALBERT MENDIVIL, VICE-MAYOR

ALEJANDRA SOTELO-SOLIS, MEMBER

MONA RIOS, MEMBER

JERRY CANO, MEMBER

I HEREBY CERTIFY THAT THE FOREGOING CLAIMS AND DEMANDS WERE APPROVED AND THE CITY TREASURER IS AUTHORIZED TO ISSUE SAID WARRANTS IN PAYMENT THEREOF BY THE CITY COUNCIL ON THE 6<sup>th</sup> OF MARCH 2018.

AYES \_\_\_\_\_

NAYS \_\_\_\_\_

ABSENT \_\_\_\_\_

The following page(s) contain the backup material for Agenda Item: Warrant Register #31 for the period of 01/24/18 through 01/30/18 in the amount of \$2,170,166.64.  
(Finance)



**CITY OF NATIONAL CITY, CALIFORNIA  
COUNCIL AGENDA STATEMENT**

**MEETING DATE:** March 6, 2018

**AGENDA ITEM NO.:**

**ITEM TITLE:**

Warrant Register #31 for the period of 01/24/18 through 01/30/18 in the amount of \$2,170,166.64.  
(Finance)

**PREPARED BY:** Karla Apalategui, Accounting Assistant

**DEPARTMENT:** Finance

**PHONE:** 619-336-4572

**APPROVED BY:** \_\_\_\_\_

**EXPLANATION:**

Per Government Section Code 37208, attached are the warrants issued for the period of 01/24/18 through 01/30/18.

Consistent with Department of Finance, listed below are all payments above \$50,000.

<u>Vendor</u>	<u>Check/Wire</u>	<u>Amount</u>	<u>Explanation</u>
ACE Electric Inc	332656	94,841.03	El Toyon & Las Palmas P. Lighting
AMERESCO Inc	332660	148,237.05	Energy Savings Agreement Project
AMESESCO Inc	332661	64,406.02	Energy Savings Agreement Project
Dick Miller Inc	332681	242,436.08	Citywide Alley Project
Dimension Data	332682	156,555.85	AF1000-2P-23T-1, Nimble AF/MIS
Southwest Signal Service	332727	57,132.85	Traffic Lighting Services / PW
Tri Group Construction	332733	72,797.55	18 <sup>th</sup> St. Ped. & Bicycle Project

**FINANCIAL STATEMENT:**

**APPROVED:** \_\_\_\_\_ **FINANCE**

**ACCOUNT NO.**

**APPROVED:** \_\_\_\_\_ **MIS**

Warrant total \$2,170,166.64.

**ENVIRONMENTAL REVIEW:**

This is not a project and, therefore, not subject to environmental review.

**ORDINANCE:**    **INTRODUCTION** ☐    **FINAL ADOPTION** ☐

**STAFF RECOMMENDATION:**

Ratify warrants totaling \$2,170,166.64

**BOARD / COMMISSION RECOMMENDATION:**

**ATTACHMENTS:**

Warrant Register #31



**WARRANT REGISTER #31**  
**1/30/2018**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
CONTRERAS, R	MILEAGE REIMBURSEMENT	332645	1/30/18	83.42
EISER III, G	PROFESSIONAL SERVICES	332646	1/30/18	3,900.00
NAHRO	ANNUAL FEES / SECTION 8	332647	1/30/18	1,466.40
NEW HORIZONS LEARNING GROUP	CISCO COLLABORATION DEVICE TRAINING	332648	1/30/18	4,134.00
SAN DIEGO COUNTY ASSESSOR	ASSESSORS COUNTY RECORDS / NSD	332649	1/30/18	2.00
SAN DIEGO COUNTY BAR ASSOC	MEMBERSHIPS / CITY ATTORNEY	332650	1/30/18	510.00
STATE BAR OF CALIFORNIA	MEMBERSHIPS / CITY ATTORNEY	332651	1/30/18	1,670.00
WEST PAYMENT CENTER	BOOKS / CITY ATTORNEY	332652	1/30/18	1,321.37
DR MARKETING AND PROMOTIONS	STATE OF THE CITY PROGRAM AND FLIERS	332653	1/30/18	250.00
STATE OF CALIFORNIA	SALES TAX LIABILITY PERIOD OF OCT - DEC 2017	332654	1/30/18	3,276.00
U S MEXICO BORDER	CONSULATE OF MX FASHION SHOW / MORRISON	332655	1/30/18	60.00
ACE ELECTRIC INC	EL TOYON & LAS PALMAS P. LIGHTING	332656	1/30/18	94,841.03
ACME SAFETY & SUPPLY CORP	T&A 90277 REFUND - CLEVELAND AT MARINA	332657	1/30/18	987.72
ADMINSURE INC	PER RESOLUTION #2016-88 FEBRUARY 2018	332658	1/30/18	7,169.16
AIRGAS WEST	45714 SAFETY APPAREL PW	332659	1/30/18	311.07
AMERESCO INC	ENERGY SAVINGS AGREEMENT PROJECT -ENG	332660	1/30/18	148,237.05
AMERESCO INC	ENERGY SAVINGS AGREEMENT PROJECT -ENG	332661	1/30/18	64,406.02
AT&T	AT&T SBC PHONE SERVICE / DECEMBER 2017	332662	1/30/18	8,680.46
AT&T	AT&T SBC PHONE SERVICE / JANUARY 2018	332663	1/30/18	327.74
BICKMORE	ACTUARIAL REVIEW SELF-INSURED LIABILITY	332664	1/30/18	6,500.00
BIDDLE CONSULTING GROUP INC	CRITICAL ANNUAL SOFTWARE MAINTENANCE	332665	1/30/18	1,539.00
BLAIR THIEL	BUILDING FEE REFUND	332666	1/30/18	31.45
CALIFORNIA COMMERCIAL SECURITY	ELECTRONIC DOOR LOCK INSTALLATION, / PW	332667	1/30/18	145.00
CALIFORNIA ELECTRIC SUPPLY	45698 ELECTRIC SUPPLIES PW	332668	1/30/18	1,006.93
CALIFORNIA HOMICIDE	TRAINING TUITION 2018 CHIA CONFERENCE / PD	332669	1/30/18	1,500.00
CANON SOLUTIONS AMERICA INC.	PLOTTER/PRINTER SERVICE / ENG	332670	1/30/18	61.66
CAPPO INC	2018 CAPPO MEMBERSHIP / LUNT	332671	1/30/18	180.00
CASAS, LAURA	TRANSLATION SERVICES / 01/16/2018	332672	1/30/18	75.00
CITRIX SYSTEMS INC	NETSCALER VPX 200MBPS STANDARD EDITION	332673	1/30/18	1,844.38
COMMERCIAL AQUATIC SERVICE INC	CHEMICAL SUPPLIES FOR POOL / PW	332674	1/30/18	2,516.37
COUNTY OF SAN DIEGO	CO OF SD SHARE OF PARKING CITATION REV/DEC	332675	1/30/18	7,853.05
COX COMMUNICATIONS	COX DATA SERVICES JANUARY 2018	332676	1/30/18	3,619.24
CYNTHIA TITGEN CONSULTING INC	RISK MANAGEMENT SERVICES / JAN	332677	1/30/18	2,047.50
DANIELS TIRE SERVICE	TIRES FOR CITY FLEET / PW	332678	1/30/18	5,345.23
DELL MARKETING L P	DELL 16GB CERTIFIED MEMORY MODULE -2RX8 / MI	332679	1/30/18	1,025.21
DEPARTMENT OF TRANSPORTATION	HIGHWAY LIGHTING FOR FY 2018	332680	1/30/18	6,911.90
DICK MILLER INC	CITYWIDE ALLEY PROJECT	332681	1/30/18	242,436.08
DIMENSION DATA	AF1000-2P-23T-1, NIMBLE AF1000 / MIS	332682	1/30/18	156,555.85
DIZINNO, T	REIMB: DIZINNO FOR THUMB DRIVES	332683	1/30/18	64.49
D-MAX ENGINEERING	T&A#90222 REIM /2238 6TH ST.	332684	1/30/18	10,028.73
EXOS COMMUNITY SERVICES LLC	NOV 2017 PROFESSIONAL SERVICES / CSD	332685	1/30/18	35,931.01
FERGUSON ENTERPRISES INC	45723 BUILDING SUPPLIES PW	332686	1/30/18	106.36
FORTRES GRAND CORPORATION	CLSEV110Y, SLATE 110 CPU ONE YEAR	332687	1/30/18	340.67
GRAINGER	65179 BUILDING SUPPLIES PW	332688	1/30/18	745.66
HUNTER'S NURSERY INC	45719 LANDSCAPE SUPPLIES PW	332689	1/30/18	118.52
JARVIS FAY DOPORTO	LIABILITY CLAIM COST	332690	1/30/18	130.00
JJJ ENTERPRISES	FIRE ALARM MONITORING	332691	1/30/18	4,005.00
KEN NAGEL	REFUND DUPLICATE TCP FEES- ENG	332692	1/30/18	476.00
KONICA MINOLTA	KONICA MINOLTA RENTAL LEASE	332693	1/30/18	72.11
KRONOS INC	SUPPORT SERV	332694	1/30/18	6,621.25



**WARRANT REGISTER #31  
1/30/2018**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
LAW OFFICE OF CHRIS HALSOR	TRAINING TUITION FEE MARIJUANA DUI / PD	332695	1/30/18	500.00
LEAGUE OF CALIFORNIA CITIES	2018 MEMBERSHIP DUES	332696	1/30/18	19,182.00
LEFORTS SMALL ENGINE REPAIR	80702 AUTO SERVICES PW	332697	1/30/18	25.01
LIEBERT CASSIDY WHITMORE	LIABILITY CLAIM COST	332698	1/30/18	319.15
LUNT, D	REIMB / 2018 CAPPO CONFERENCE / LUNT	332699	1/30/18	1,268.58
METRO FIRE & SAFETY	FIRE EXTINGUISHER	332700	1/30/18	848.79
MONTANO, ISABEL	FEE REFUND, FIRE	332701	1/30/18	65.00
MUNICIPAL CODE CORPORATION	ANNUAL WEB HOSTING 1/1/2018	332702	1/30/18	900.00
MYERS AND SONS	FLASHER RING W/ SOLAR PANEL	332703	1/30/18	1,155.47
NAPA AUTO PARTS	45735 AUTO SUPPLIES PW	332704	1/30/18	72.26
NATIONAL CITY CAR WASH	CAR WASH SERVICES FOR CITY FLEET FY 2018	332705	1/30/18	450.00
O'REILLY AUTO PARTS	75877 AUTO SUPPLIES PW	332706	1/30/18	152.82
PACIFIC AUTO REPAIR	SMOG CERTIFICATION / REPAIRS FOR CITY	332707	1/30/18	282.72
PALM ENGINEERING	DIVISION ST. TRAFFIC CALMING	332708	1/30/18	5,168.32
PARTS AUTHORITY METRO LLC	75943 AUTO SUPPLIES PW	332709	1/30/18	343.97
PENSKE FORD	49078 AUTO SUPPLIES PW	332710	1/30/18	53.76
PERFORMANCE CASTERS	SWIVEL 10 INCH / PW	332711	1/30/18	301.70
PRO BUILD	45707 GENERAL SUPPLIES PW	332714	1/30/18	8,657.17
PRO-TECH INDUSTRIES	WIPES / PARKS DEPT	332715	1/30/18	837.18
PRUDENTIAL OVERALL SUPPLY	45742 LAUNDRY SERVICES PW	332716	1/30/18	348.02
QUAL CHEM CORPORATION	URATIC SALTS REMOVER / PW	332717	1/30/18	344.70
RELY ENVIRONMENTAL	HAZARDOUS WASTE - ENG	332718	1/30/18	5,315.00
RON BAKER CHEVROLET	45752 AUTO SUPPLIES PW	332719	1/30/18	178.08
SCST INC	CITYWIDE ALLEY IMPROVEMENTS	332720	1/30/18	5,852.00
SD PLAZA ONE LP	TRANSIENT OCCUPANCY TAX RETURN	332721	1/30/18	25,387.72
SDG&E	STREETS DIVISION GAS & ELECTRIC UTILITIES	332722	1/30/18	36,211.96
SMART & FINAL	MOP 4756. SNACKS FOR THE TEEN CENTER / CSD	332723	1/30/18	156.49
SMART SOURCE OF CALIFORNIA LLC	NEIGHBORHOOD COUNCIL MAGNETIC CALENDAR	332724	1/30/18	794.97
SOUTH BAY MOTORSPORTS	R&M CITY VEHICLES AS NEEDED FY 2018	332725	1/30/18	2,958.33
SOUTHERN CALIF TRUCK STOP	45758 OIL SUPPLIES PW	332726	1/30/18	96.00
SOUTHWEST SIGNAL SERVICE	TRAFFIC LIGHTING SERVICES / PW	332727	1/30/18	57,132.85
SPIRIT HALLOWEEN	REFUND OF BANNER PERMIT DEPOSIT	332728	1/30/18	1,975.00
SWEETWATER AUTHORITY	WASTEWATER DIVISION WATER BILL FY 2018	332729	1/30/18	188.73
T MAN TRAFFIC SUPPLY	76666 TRAFFIC PAINT PW	332730	1/30/18	473.39
TELECOM LAW FIRM P C	PROFESSIONAL SERVICES-RIGHT-OF-WAY	332731	1/30/18	390.00
THE HOME DEPOT CREDIT SERVICES	10- ROUGHNECK 20 GALLON TRASH CANS	332732	1/30/18	199.87
TRI GROUP CONSTRUCTION	18TH ST. PED. & BICYCLE PROJECT	332733	1/30/18	72,797.55
U S BANK	CREDIT CARD EXPENSES / CMO	332734	1/30/18	870.25
UNITED ROTARY BRUSH CORP	STREET SWEEPER REPAIRS / PW	332735	1/30/18	1,749.21
VALLEY INDUSTRIAL SPECIALTIES	46453 GEN. SUPPLIES PW	332736	1/30/18	446.55
VILLALPANDO, MARCO	REFUND PERF CASH BOND T&A 90285 - ENG	332737	1/30/18	5,000.00
VULCAN MATERIALS COMPANY	CL 2 BASE ASPHALT	332738	1/30/18	781.35
WESTFLEX INDUSTRIAL	63850 AUTO SUPPLIES PW	332739	1/30/18	495.13
WILLY'S ELECTRONIC SUPPLY	45763 ELECTRIC SUPPLIES PW	332740	1/30/18	120.60
Z A P MANUFACTURING INC	STREET SIGN REMOVED AND REFACE / PW	332741	1/30/18	1,445.73
GRAINGER	MOP 65179 / FIRE CHARGES	332742	1/30/18	456.21

A/P Total

1,104,216.68



**WARRANT REGISTER #31  
1/30/2018**

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>CHK NO</u>	<u>DATE</u>	<u>AMOUNT</u>
UNION BANK OF CALIFORNIA	GENERAL OBLIGATION BONDS 2012	720024	1/29/18	56,217.08
<b>SECTION 8 HAPS</b>	<b>Start Date</b>	<b>End Date</b>		
	1/24/2018	1/30/2018		<b>8,394.64</b>
<b>PAYROLL</b>				
<b>Pay period</b>	<b>Start Date</b>	<b>End Date</b>	<b>Check Date</b>	
3	1/16/2018	1/29/2018	2/7/2018	<b>1,001,338.24</b>
<b>GRAND TOTAL</b>				<b><u>\$ 2,170,166.64</u></b>



## **Certification**

IN ACCORDANCE WITH SECTION 37202, 37208, 372059 OF THE GOVERNMENT CODE, WE HEREBY CERTIFY TO THE ACCURACY OF THE DEMANDS LISTED ABOVE AND TO THE AVAILABILITY OF FUNDS FOR THE PAYMENT THEREOF AND FURTHER THAT THE ABOVE CLAIMS AND DEMANDS HAVE BEEN AUDITED AS REQUIRED BY LAW.



MARK ROBERTS, FINANCE

LESLIE DEESE, CITY MANAGER

### **FINANCE COMMITTEE**

RONALD J. MORRISON, MAYOR-CHAIRMAN

ALBERT MENDIVIL, VICE-MAYOR

ALEJANDRA SOTELO-SOLIS, MEMBER

MONA RIOS, MEMBER

JERRY CANO, MEMBER

I HEREBY CERTIFY THAT THE FOREGOING CLAIMS AND DEMANDS WERE APPROVED AND THE CITY TREASURER IS AUTHORIZED TO ISSUE SAID WARRANTS IN PAYMENT THEREOF BY THE CITY COUNCIL ON THE 6<sup>th</sup> OF MARCH 2018.

AYES \_\_\_\_\_

NAYS \_\_\_\_\_

ABSENT \_\_\_\_\_

The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City ratifying the Purchase and Sale Agreement executed on February 7, 2018; authorizing the purchase of real property located at 302 W. 19th Street from Frank Safely for a total sales price of \$905,0

**CITY OF NATIONAL CITY, CALIFORNIA  
COUNCIL AGENDA STATEMENT**

**MEETING DATE:** March 6, 2018

**AGENDA ITEM NO.**

**ITEM TITLE:**

Resolution of the City Council of the City of National City ratifying the Purchase and Sale Agreement executed on February 7, 2018; authorizing the purchase of real property located at 302 W. 19<sup>th</sup> Street from Frank Safely for a total sales price of \$905,000 and the payment of closing costs not to exceed \$4,000; and authorizing the establishment of an appropriation not-to-exceed \$909,000 based on the available fund balance of the Sewer Service Fund.

**PREPARED BY:** Gregory Rose, Property Agent

**DEPARTMENT:** Housing & Economic Development

**PHONE:** 619.336.4266

**APPROVED BY:** 

**EXPLANATION:**

See Attachment No. 1

**FINANCIAL STATEMENT:**

**APPROVED:**  Finance

**ACCOUNT NO.** 125-409-500-598-1596 WITOD Improvements

**APPROVED:** \_\_\_\_\_ MIS

The appropriation of \$909,000 to the capital outlay project expenditure account no. 125-409-500-598-1596 will come from the Sewer Service Fund based on the available fund balance of the Sewer Service Fund.

**ENVIRONMENTAL REVIEW:**

Approval of the property transfer is not a "Project" under section 15378 of the California Environmental Quality Act ("CEQA") guidelines because the proposed action consists of an administrative activity that will not result in direct or indirect physical changes to the environment.

**ORDINANCE:** ☐ **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

**STAFF RECOMMENDATION:**

Adopt the Resolution.

**BOARD / COMMISSION RECOMMENDATION:**

n/a

**ATTACHMENTS:**

1. Background Report
2. PPC Letter
3. Purchase and Sales Agreement
4. Property Appraisal
5. Resolution

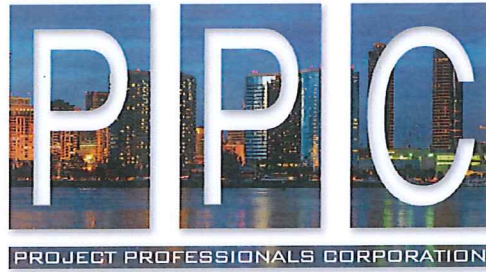
## Background Report

This property the City is proposing to purchase is located on a rectangular parcel located 302 W 19th street. The current sewer service to 302 W. 19th Street is being provided by a temporary pump station which requires City sewer crews to empty and dispose of their sewage on a daily basis. The temporary pump station is located in the center of the proposed expansion to Paradise Creek Educational Park ("Park") and needs to be removed in order to build the park. The temporary pump station was installed as the previous sewer connection, which ran under the Paradise Creek onto the WI-TOD housing site was abandoned and capped to allow for construction of Paradise Creek Apartments. No other feasible alternatives for providing permanent sewer service to this property have been identified due to site constraints and potential environmental impacts. This is the only property affected by the sewer disconnect. Estimated costs to reroute the sewer for this building is approximately \$1,000,000 (see attachment No. 2). The property sticks out into an area that will be part of the 4.4 acre expansion of the Park. The acquisition of this parcel would eliminate the need to reroute the sewer service and be key in creating proper access to the new park and facilitating street and parking improvements.

The property was not listed for sale. City staff presented the opportunity to purchase the property in closed session on October 17, 2017 and City Council provided direction in closed session on October 17, 2017 to begin negotiations and secure the purchase and sale of the property subject to City Council approval. The City approached the property owner and made an unsolicited offer of \$825,000 based on an appraisal of the property by Brad Woodall, MAI, dated 9/19/2017, contingent on City Council approval of the purchase and sale of the property. The property owner countered with an asking price of \$925,000. The City countered with \$900,000 and finally agreed to \$905,000. On February 7, 2018 the City entered into a purchase and sale agreement contingent on City Council approval.

The property has a two story structure on it. Currently, it has a two residential rental units on the top floor, and a commercial space on the ground floor. The structure is planned to be demolished to allow for the new community park improvements and alleviate the need to reroute the sewer service. A relocation plan will be required for the residential and commercial tenants to be relocated. A consultant will prepare the relocation plan and the cost of relocation will be requested from the Sewer Service Fund. The relocation plan will be put into place before closing on the sale escrow.





August 3, 2017

Stephen Manganiello, Director of Public Works/City Engineer  
City of National City  
1243 National City Boulevard  
National City, CA 91910

RE: Proposed Sewer Main Service for 302 W 19<sup>th</sup> Street, National City, CA

Mr. Manganiello,

I reviewed the proposed plans prepared by Harris & Associates to provide a new sewer main to service 302 W 19<sup>th</sup> Street in National City. It is my opinion that the plan to provide a new sewer main to this parcel is not feasible for several reasons.

First, the cost to accomplish the work to service this single lot is estimated at about \$1,000,000. Although the cost to install this main alone is high, it is made higher still due to the required handling of the contaminated soil. It is our opinion that this cost likely exceeds that value of the parcel.

Secondly, the new route designed by Harris & Associates is the most direct route to a local sewer main and its design slope is one-half of one percent. That is extremely flat for a sewer main that has such low flow as it services only one parcel. This will present maintenance issues for the life of the sewer main that will require continual service by City forces. We have not estimated the annual cost for these additional services but it is not good engineering practice or advisable to install a new sewer main that we know will cost the City significantly higher maintenance costs than normal. Additionally, since the sewer main will not function properly you can expect excessive odors to emanate from the manholes located within the new park.

Finally, the proposed new sewer main location transverses the lot currently slated for the third and final part of the Paradise Creek Educational Park. This entire lot contains very high concentrations of lead in the soil and is currently under scrutiny of the California Department of Toxic Substance Control (DTSC). We cannot excavate on this site without DTSC review and approval of a soil management plan that would take up to a year to obtain and would disrupt the current process that is well under way for the current plan to develop a park.

Sincerely,

Derrick Anderson, PE  
Vice President, Principal Civil Engineer

**PURCHASE AND SALE AGREEMENT  
(302 West 19<sup>th</sup> Street)**

THIS PURCHASE AND SALE AGREEMENT (302 West 19<sup>th</sup> Street) ("Agreement") dated as of the 5<sup>th</sup> day of February, 2018, by and between Frank Safley and Deborah Safley, husband and wife (collectively, the "Seller"), and the City of National City ("Purchaser").

RECITALS

A. The Seller owns the fee interest in that certain real property generally located at 19<sup>th</sup> Street and Harding Avenue, with an address of 302 West 19<sup>th</sup> Street in the City of National City, County of San Diego, California, which is legally described on Exhibit A attached hereto and made a part hereof ("Property"). Seller and Purchaser desire for Seller to sell the Property to Purchaser at fair market value, and for Purchaser to purchase the Property from Seller.

B. The Seller agrees to sell the Property to Purchaser for an amount equal to its current fair market value of Nine Hundred Five Thousand and No/100 Dollars (\$905,000.00), which amount shall be payable by Purchaser to Seller in cash at Closing.

C. Seller's sale of the Property to Purchaser and Purchaser's purchase of the Property are in the vital and best interest of the City of National City and the health, safety, morals and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which are acknowledged, Purchaser and Seller hereby agree as follows:

I. Effectiveness of Agreement and Purchase and Sale.

(a) Effectiveness of Agreement. This Agreement shall be effective and binding upon all parties hereto concurrently with the last to occur of the following: (i) this Agreement has been duly executed by Purchaser and delivered by Purchaser to Seller; (ii) this Agreement has been formally approved by resolution of the Purchaser's board; and (iii) this Agreement has been duly executed by Seller and delivered by Seller to Purchaser. Under no circumstances will this Agreement be effective before all of the preceding have occurred.

(b) Purchase and Sale of the Property. In consideration of the mutual covenants set forth in this Agreement, and on the terms and conditions set forth herein, Seller agrees to sell the Property to Purchaser, and Purchaser agrees to purchase the Property from Seller on the terms and conditions set forth herein, provided the various conditions to Closing set forth in this Agreement are satisfied or waived as provided herein. At Closing, Seller shall convey to Purchaser title to the Property by recordation of the Grant Deed. The Escrow Agent shall issue the Title Policy (as defined below) to the Purchaser at Closing.

(c) Possession of the Property. The Seller shall deliver possession of the Property to Purchaser at Closing. Possession of the Property shall be delivered to Purchaser subject only to the Property Documents, the Tenant Agreements and the Permitted Exceptions.

2. Definitions. As used in this Agreement, the following terms shall have the following meanings:

“Agreement” means this Purchase and Sale Agreement between the Seller and the Purchaser.

“Business Day” means any day other than a Saturday, Sunday or any other day on which Purchaser or Escrow Agent is not open for business. In the event any date, deadline or due date set forth in this Agreement falls on a day that is not a Business Day, then such deadline or due date shall automatically be extended to the next Business Day.

“Close” or “Closing” means the close of Escrow as provided herein, which shall occur on the Closing Date.

“Closing Date” means the close of Escrow as provided herein, which shall be one (1) Business Day after the latest of: (i) the date all of the Conditions Precedent for the Benefit of the Seller have been satisfied; and (ii) the date all of the Conditions Precedent for the Benefit of the Purchaser have been satisfied. The Closing shall occur on or before March 31, 2018.

“Conditions Precedent for the Benefit of the Seller” shall have the meaning set forth in Section 5 of this Agreement.

“Conditions Precedent for the Benefit of the Purchaser” shall have the meaning set forth in Section 6 of this Agreement.

“Deposit” shall have the meaning set forth in Section 3(a) of this Agreement.

“Due Diligence Period” means the period of time commencing on the Effective Date and ending at 5:00 p.m. Pacific time on March 15, 2018.

“Effective Date” means February 5, 2018, which may or may not be the date this Agreement was executed and delivered by the Seller or the Purchaser.

“Escrow” means the escrow depository and disbursement services to be performed by Escrow Agent pursuant to the provisions of this Agreement.

“Escrow Agent” means Della DuCharme at Chicago Title Company, 701 B Street, Suite 1120, San Diego, California 92101.



“Grant Deed” means a duly executed and acknowledged grant deed conveying fee simple title to the Property from Seller to Purchaser.

“Hazardous Materials” means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United State Government. Provided, however, the term “Hazardous Materials” shall not include substances typically used in the ordinary course of developing, operating and maintaining apartment complexes in California or small amounts of chemicals, cleaning agents and the like commonly employed in routine household uses in a manner typical of occupants in other similar properties, provided that such substances are used in compliance with applicable laws.

“Immediately Available Funds” means a bank wire transfer or a certified bank or cashier’s check.

“Permitted Exceptions” means (i) the printed exceptions and exclusions in the Title Policy; (ii) the exceptions to title set forth in Schedule B to the Title Report (as defined in Section 4(e) below) which are approved by Purchaser in writing, or deemed approved by Purchaser, as provided in Section 4(e) below; (iii) real property taxes and assessments which are a lien but not yet payable; (iv) any title exceptions caused, consented to or preapproved by Purchaser; and (v) all applicable building, zoning and use restrictions and/or regulations of any municipality, township, county or state; (vii) defects that would be shown by an inspection or by a survey of the Real Property; and (viii) any reserved oil, water and/or mineral rights.

“Property” means that certain real property generally located at 302 West 19<sup>th</sup> Street in the City of National City, County of San Diego, California, which is legally described on Exhibit A attached hereto and made a part hereof.

“Property Documents” means a current delinquency report, property tax bills, capital contracts, site maps, floorplans, business licenses and permits, permits and approvals from the City or County and any governing authorities, conditions imposed by any governmental authorities which affect the development or use of the Property, soils reports, engineering studies or surveys, studies and reports concerning the possibility of hazardous, contaminated or toxic materials on or near the Property, active contracts, drawings, plans, specifications, with respect to the Property that are in Seller’s possession.

“Purchase Price” shall have the meaning set forth in Section 3 of this Agreement.

“Purchaser” means the City of National City.

“Rent Roll” means the rent roll and security deposit report for the Project.

“Seller” means collectively, Frank Safley and Deborah Safley, husband and wife.



“Tenant Agreements” means all leases and all other rental or occupancy agreements with the tenants listed on the Rent Roll as of the Effective Date.

“Title Policy” means a CLTA Owner’s Policy of Title Insurance in the amount of the Purchase Price, insuring that title to the fee interest in the Property is vested in the Purchaser subject only to the Permitted Exceptions, which Title Policy shall be obtained through the Escrow Agent. Seller shall pay the cost of the CLTA Owner’s Policy of Title Insurance. Purchaser shall pay the cost of any endorsements it desires. Purchaser may obtain an ALTA Owner’s Policy of Title Insurance in which event Purchaser shall pay the cost difference between the cost of the ALTA Owner’s Policy of Title Insurance and the cost of a CLTA Owner’s Policy of Title Insurance.

3. Purchase Price. The purchase price to be paid by the Purchaser for all of the Property shall be Nine Hundred Five Thousand and No/100 Dollars (\$905,000.00) (“Purchase Price”).

(a) Deposit. Purchaser shall make a deposit into Escrow of Immediately Available Funds in the amount of Twenty-Five and No/100 Dollars (\$25,000.00) (the “Deposit”) within three (3) Business Days of the Effective Date. The Deposit shall be refundable until the expiration of the Due Diligence Period. If the Purchaser elects to terminate this Agreement prior to expiration of the Due Diligence Period, as set forth in Section 4, below, then upon receipt of written notice from the Seller and the Purchaser, the Escrow Agent shall return the Deposit to the Purchaser, plus any interest earned thereon. Provided, however, all fees and costs charged by the Escrow Agent shall be paid one-half (1/2) by the Seller and one-half (1/2) by the Purchaser. Notwithstanding anything to the contrary set forth herein, the Deposit and any other deposits made by the Purchaser shall be fully refundable to the Purchaser until such time as this Agreement has been approved by resolution of the City Council of the City of National City, in its sole discretion. The Seller hereby acknowledges that the Purchaser is prohibited by law from purchasing the Property, without the approval of the City Council of the City of National City.

(b) LIQUIDATED DAMAGES. THE DEPOSIT SHALL BE REFUNDABLE TO THE PURCHASER AS MAY BE EXPRESSLY PROVIDED FOR IN THIS AGREEMENT. IF ESCROW FAILS TO CLOSE AS A RESULT OF PURCHASER’S DEFAULT HEREUNDER, THE SOLE REMEDY OF THE SELLER SHALL BE TO TERMINATE THIS AGREEMENT BY GIVING WRITTEN NOTICE THEREOF TO PURCHASER AND ESCROW AGENT, WHEREUPON THE SELLER SHALL RETAIN THE DEPOSIT(S) AND ALL INTEREST THEREON AS LIQUIDATED DAMAGES (AND, THE SELLER WAIVES ANY RIGHT TO SPECIFICALLY ENFORCE THIS AGREEMENT SET FORTH IN CALIFORNIA CIVIL CODE SECTION 1680 OR 3389). THEREAFTER, NO PARTY HERETO SHALL HAVE ANY FURTHER LIABILITY OR OBLIGATION TO ANY OTHER PARTY HERETO EXCEPT FOR: (i) THE SELLER’S RIGHT TO RECEIVE AND RETAIN SUCH LIQUIDATED DAMAGES; (ii) THE OBLIGATION OF THE PARTIES TO PAY AMOUNTS INTO ESCROW TO PAY THE FEES AND COSTS OF ESCROW; AND (iii) ATTORNEYS’ FEES. THE PARTIES HERETO ACKNOWLEDGE AND AGREE THAT THE SELLER’S ACTUAL DAMAGES IN THE EVENT OF PURCHASER’S DEFAULT HEREUNDER ARE UNCERTAIN IN AMOUNT AND DIFFICULT TO ASCERTAIN, AND THAT SUCH AMOUNT OF LIQUIDATED DAMAGES IS REASONABLE UNDER THE PROVISIONS

OF CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ., CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE HEREOF INCLUDING, WITHOUT LIMITATION, THE RELATIONSHIP OF SUCH AMOUNT TO THE RANGE OF POTENTIAL HARM TO THE SELLER THAT CAN REASONABLY BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES RESULTING FROM SUCH DEFAULT WOULD BE COSTLY AND INCONVENIENT. EACH PARTY HERETO SPECIFICALLY CONFIRMS THE ACCURACY OF THE FOREGOING AND THE FACT THAT SUCH PARTY HAS BEEN REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION.

THE PROVISIONS OF THIS SECTION 3(B) SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

\_\_\_\_\_  
PURCHASER

  
\_\_\_\_\_  
SELLER

(c) Delivery of Remainder of Purchase Price into Escrow. Not less than one (1) Business Day prior to the Closing Date, the Purchaser shall cause Immediately Available Funds to be delivered to the Escrow Agent in an amount equal to the Purchase Price, minus the Deposit and any interest earned on the Deposit, and plus or minus any adjustments for prorations and expenses required under this Agreement.

(d) Disbursement to the Seller. Immediately after the Closing, the Escrow Agent shall disburse to the Seller the funds that the Seller is entitled to receive hereunder.

#### 4. Due Diligence.

(a) Due Diligence Period. During the Due Diligence Period the Purchaser may determine in the Purchaser's sole and absolute discretion, whether to proceed with the purchase of the Property. During the Due Diligence Period, the Purchaser may terminate this Agreement for any reason or for no reason at all by delivering written notice of such termination to the Seller and Escrow. After expiration of the Due Diligence Period, the Purchaser's right to terminate this Agreement for any reason, or for no reason at all, shall expire and the Deposit shall become nonrefundable. If this Agreement is terminated during the Due Diligence Period, then: (i) all rights and liabilities of the Purchaser and the Seller with respect to this Agreement shall immediately terminate, except for rights and liabilities that specifically survive such termination; (ii) Escrow Agent shall return to the Purchaser all funds or other things deposited in Escrow by the Purchaser, less any fees and costs charged by the Escrow Agent; and (iii) Escrow Agent shall return to the Seller all funds or other things deposited in Escrow by the Seller.

(b) Due Diligence Deliveries. Not later than three (3) Business Days after execution and delivery of this Agreement to the Escrow Agent, the Seller shall provide, the Purchaser with true and correct copies of the Rent Roll, Tenant Agreements, Property Documents and all plans and specifications for the Property (including a set of current as-built plans and specifications, if any) if any, to the extent the same are in the Seller's possession, by any of the following methods



provide physical copies or digital copies (e.g. a pdf, tif or jpg file) by email or on a memory medium.

(c) Tenant Estoppel Certificates. Seller shall provide to Purchaser a Tenant Estoppel Certificate from each Tenant in a form approved by the Seller least five (5) days, but not more than fifteen (15) days, prior to the Closing.

(d) Access to the Property. During the Due Diligence Period, Purchaser and its representatives, consultants and attorneys shall have access to the Property. Purchaser shall defend and shall indemnify the Seller and the Seller's agents and employees and the Property from and against, and shall hold the Seller, the Seller's agents and employees and the Property harmless from, any actions, losses, costs, damages, claims and/or liabilities, including but not limited to, mechanics' and materialmen's liens and attorney fees, proximately caused by the actions of Purchaser and/or its contractors or agents upon the Property. The Purchaser shall repair any damage caused to the Property by the Purchaser or its agents, employees or contractors. The Purchaser shall not permit any mechanic's, materialman's, contractor's, subcontractor's or other lien arising from any work done by the Purchaser or its agents pursuant to this Agreement to stand against the Property. If any such lien shall be filed against the Property, the Purchaser shall cause the same to be discharged or bonded by payment, deposit, bond or otherwise, within thirty (30) days after actual notice of such filing. The Purchaser's obligations under this Section 4(d) shall survive the termination or expiration of this Agreement. If Purchaser desires to do any invasive testing at the Property, the Purchaser may do so only after obtaining Seller's prior written consent to the same, which consent may be withheld or granted on conditions in Seller's reasonable discretion. The Purchaser shall promptly restore the Property to the condition the Property was in immediately prior to any such tests, at the Purchaser's sole cost and expense. The Purchaser shall provide the Seller with a complete set of plans, drawings and specifications ("Invasive Testing Plans") that define to the sole satisfaction of the Seller the invasive testing to be performed on the Property and the names of all environmental and other consultants, contractors and subcontractors who will be performing such invasive testing (collectively "Purchaser's Consultants"). The Purchaser shall deliver the names of the Purchaser's Consultants and the Invasive Testing Plans to the Seller concurrently with its request to the Seller that the Purchaser desires to perform invasive testing.

(e) Title. Purchaser's obligation to purchase the Property is contingent upon Purchaser's approval of all matters affecting title to or use of the Real Property (collectively, "Title Matters"). The intent of this Section 4(e) is to allow the parties to have certainty regarding the condition of title and the Title Matters which are acceptable to the Purchaser. The procedure set forth in this Section 4(e) shall not affect or otherwise limit the Purchaser's right to terminate this Agreement for any reason or no reason at all as set forth in Section 4, above. Seller shall use commercially reasonable efforts to cause the Title Company to deliver to Purchaser within three (3) Business Days of the Effective Date, a current preliminary title report for the Real Property and, to the extent possible, legible copies of all documents referred to therein ("Title Report"). Purchaser shall have ten (10) Business Days thereafter, to approve or object to any items disclosed by the Title Report. If Purchaser does not give written notice to Seller of Purchaser's approval or disapproval of any items disclosed by the Title Report within said time period, then Purchaser shall be deemed to have approved the items disclosed by the Title Report. If



Purchaser gives written notice to Seller of Purchaser's disapproval of any items disclosed by the Title Report within said time period and Seller does not give written notice to Purchaser within five (5) Business Days thereafter of either: (i) Seller's elimination of or agreement to eliminate those disapproved matters prior to the close of Escrow; or (ii) Seller's agreement to provide at Seller's sole expense such title insurance endorsements relating thereto as are acceptable to Purchaser in Purchaser's sole discretion prior to the close of Escrow (each, a "Cure Notice"), then this Agreement shall terminate immediately, unless Purchaser affirmatively agrees in writing within five (5) Business Days thereafter that this Agreement will remain in full force and effect and that the previously disapproved items disclosed by the Title Report are approved by Purchaser. If the Title Company issues a supplemental title report prior to the close of Escrow showing additional exceptions to title ("Title Supplement"), Purchaser shall have five (5) Business Days from the date of receipt of the Title Supplement and a copy of each document referred to in the Title Supplement in which to give Seller written notice of disapproval as to any additional exceptions; provided, however, Purchaser may not disapprove any exceptions that were contained in the original Title Report or are otherwise Permitted Exceptions. Purchaser's failure to deliver any such written notice of disapproval of the Title Supplement within such five (5) Business Day period shall be deemed to mean that Purchaser has approved all such additional exceptions. If Purchaser disapproves any additional exception shown in the Title Supplement, then Purchaser and Seller will have the same rights and obligations set forth above in this Section regarding Purchaser's original review and approval of the Title Report. Notwithstanding the foregoing, Seller shall cause all Title Matters which are mechanics' liens or deeds of trust to be eliminated as exceptions to title on the Title Policy at Seller's sole expense prior to the close of Escrow, and shall not record any documents against the Property from and after the Effective Date without Purchaser's prior written consent.

5. Conditions Precedent for the Benefit of the Seller. The Seller's obligation to Close shall be conditioned upon the satisfaction or emailed or written waiver by the Seller of all of the conditions precedent ("Conditions Precedent for the Benefit of the Seller") set forth in this Section 5. Any of the Conditions Precedent for the Benefit of the Seller may be waived by the Seller unilaterally; and if so waived, such conditions shall be of no further effect hereunder. Any such waiver shall be effective only if the same is expressly waived by Seller by either: (i) email from the Seller to the Purchaser and Escrow Agent; or (ii) in a writing signed by the Seller and delivered to the Purchaser and Escrow Agent. If the Conditions Precedent for the Benefit of the Seller set forth in this Section 5 are not satisfied by the deadlines or expressly waived, the Seller (provided the Seller is not in default hereunder) may provide emailed or written notice of the Seller's conditional termination of this Agreement to the Purchaser and Escrow Agent. After receipt of such notice of conditional termination, the Purchaser shall have ten (10) Business Days to cure any non-satisfaction of a condition or other default specified in the notice of conditional termination. If such matter remains unsatisfied or the default remains uncured after the expiration of such ten (10) Business Day period, then this Agreement Instructions shall terminate at the close of business on such tenth (10<sup>th</sup>) Business Day. In the event of termination of this Agreement (and by operation of law the Escrow) pursuant to this Section 5, then: (w) as set forth in the liquidated damages provision of Section 3(b), above, all rights and liabilities of the Purchaser and the Seller with respect to this Agreement shall immediately terminate except those which specifically survive such termination; (x) Escrow Agent shall deliver the Deposit and all interest thereon to the Seller and shall return to the Seller all funds or other things deposited in



Escrow by the Seller; (y) Escrow Agent shall return to the Purchaser all funds or other things deposited in Escrow by the Purchaser, less the Deposit and all interest thereon, and less all fees and costs charged by the Escrow Agent. Notwithstanding the preceding clause (w) of this Section 5, in the event of termination of this Agreement pursuant to this Section 5, the Seller and the Purchaser shall cooperate with one another, execute all documents reasonably necessary and take all reasonable steps as may be required by Escrow Agent in order to accomplish the purposes of this Section 5. The Conditions Precedent for the Benefit of the Seller are:

- (a) Purchaser making the Deposit into Escrow, as set forth in Section 3(a), above.
- (b) The delivery by the Purchaser into Escrow, at least one (1) Business Day prior to Closing of Immediately Available Funds equal to the Purchase Price (less the Deposit and plus or minus expenses and prorations) as required by Section 3(c) above.
- (c) The delivery by the Purchaser into Escrow at least one (1) Business Day prior to Closing of all other documents and instruments required by this Agreement or reasonably required by Escrow to complete the Closing.
- (d) Purchaser not being in default of any of its representations or warranties under this Agreement, or any other material terms or conditions related to Purchaser, and all of the Purchaser's representations and warranties under this Agreement being true and correct as of the Closing Date.
- (e) As of the Closing Date, the Purchaser has not made an assignment for the benefit of creditors, filed a bankruptcy petition, been adjudicated insolvent or bankrupt, petitioned a court for the appointment of any receiver of, or trustee for, the Purchaser, or commenced any proceeding relating to the Purchaser under any reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or later in effect.

6. Conditions Precedent for the Benefit of the Purchaser. The Purchaser's obligation to Close shall be conditioned upon the satisfaction or emailed or written waiver by the Purchaser of all of the conditions precedent ("Conditions Precedent for the Benefit of the Purchaser") set forth in this Section 6. Any of the Conditions Precedent for the Benefit of the Purchaser may be waived by the Purchaser unilaterally; and if so waived, such conditions shall be of no further effect hereunder. Any such waiver shall be effective only if the same is expressly waived by email from the Purchaser to the Seller and Escrow Agent or in writing signed by the Purchaser and delivered to the Seller and Escrow Agent. If the Conditions Precedent for the Benefit of the Purchaser are not satisfied by the deadlines set forth in this Section 6 or expressly waived, the Purchaser (provided the Purchaser is not in default hereunder) may provide emailed or written notice of the Purchaser's conditional termination of this Agreement to the Seller and Escrow Agent. After receipt of such notice of conditional termination, the Seller shall have ten (10) Business Days to cure any non-satisfaction of a condition or other default specified in the notice of conditional termination. If such matter remains unsatisfied or the default remains uncured after the expiration of such ten (10) Business Day period, then this Agreement shall terminate at the close of business on such tenth (10<sup>th</sup>) Business Day. In the event of termination of this Agreement (and by operation of law the Escrow) pursuant to this Section 6, then: (w) the same

shall be a default by the Seller; (x) Escrow Agent shall return to the Seller all funds or other things deposited in Escrow by the Seller; (y) Escrow Agent shall upon receipt of unilateral notice from the Purchaser, return to the Purchaser all funds or other things deposited in Escrow by the Purchaser; and (z) all fees and costs charged by the Escrow Agent shall be paid by the Seller. Purchaser is not waiving any default by the Seller and nothing contained in this Section 6, including, without limitation, the immediately foregoing sentence shall be a waiver of any right of Purchaser to recover damages from the Seller for any default by Seller hereunder. Notwithstanding the foregoing clause (w) of this Section 6, in the event of termination of this Agreement pursuant to this Section 6, the Purchaser and the Seller shall cooperate with one another, execute all documents reasonably necessary and take all reasonable steps as may be required by Escrow Agent in order to accomplish the purposes of this Section 6. The Conditions Precedent for the Benefit of Purchaser are:

(a) The deposit by the Seller into Escrow at least one (1) Business Day prior to Closing of the Grant Deed, duly executed and acknowledged, conveying fee simple title to the Property to the Purchaser.

(b) The deposit by the Seller into Escrow at least one (1) Business Day prior to Closing of the Assignment, duly executed, conveying title to the Personal Property to the Purchaser.

(c) The deposit by Seller into Escrow at least one (1) Business Day prior to Closing of a duly executed affidavit in the form prescribed by federal regulations that Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7761(a)(30) of the Internal Revenue Code of 1986, as amended.

(d) The deposit by Seller into Escrow at least one (1) Business Day prior to Closing of a duly executed California Form 593(c) or other evidence that withholding of any portion of the Purchase Price is not required by the Revenue and Taxation Code of California with respect to Seller.

(e) The deposit by the Seller into Escrow at least one (1) Business Day prior to Closing of all additional documents and instruments as are reasonably required by the Escrow Agent to complete the Closing.

(f) The Escrow Agent is prepared and obligated to issue the Title Policy in Purchaser's favor, upon the recordation of the Grant Deed and there are no exceptions to the Title Policy, except for the Permitted Exceptions.

(g) As of the Closing Date, there exists no lease, tenancy or occupancy agreement affecting the Property, except for the Tenant Agreements, Property Documents.

(h) Seller not being in default of any of its representations or warranties under this Agreement, or any other material terms or conditions related to Seller, and all of Seller's representations and warranties under this Agreement being true and correct as of the Closing Date.



(i) As of the Closing Date there is not pending, or threatened to be pending, any action or proceeding by any person or before any government authority, the outcome of which could prohibit the use of the Property as intended by the Purchaser.

(j) The Escrow Agent is prepared and obligated to issue the Title Policy in Purchaser's favor, upon the recordation of the Grant Deed and there are no exceptions to the Title Policy, except for the Permitted Exceptions.

7. Representations, Warranties and Covenants; Waivers and Releases. When making the representations and warranties set forth in this Section 7, each party making a representation and/or warranty represents that the same are true, correct and complete as of the date hereof and shall be and are true, correct and complete as of the Closing Date. The representations and warranties shall survive the Closing.

(a) Representations and Warranties Regarding Authority. The Seller and the Purchaser each hereby represents and warrants to the other that this Agreement and all documents or instruments executed by them which are to be delivered at or prior to the Closing are, or on the Closing Date will be, duly authorized, executed and delivered by the Seller or the Purchaser, as applicable.

(b) Representations and Warranties Regarding Enforceability of Agreement. The Seller and the Purchaser each hereby represents and warrants to the other that this Agreement and all documents required hereby to be executed by them shall be valid, legally binding obligations of, and enforceable against, the Seller or the Purchaser, as applicable, in accordance with their terms.

(c) Representations and Warranties Pertaining to Legal Matters. The Seller hereby represents and warrants to the Purchaser that:

(1) The Seller is the sole owner of the fee title interest to the Real Property.

(2) To the current actual knowledge of Seller, there is no pending or threatened proceeding in eminent domain or otherwise, which would adversely affect the Property, or any portions thereof.

(d) Seller Representations and Warranties Pertaining to Options. As of the Effective Date, Seller hereby represents and warrants to the Purchaser that no person has any option or right of first refusal to purchase Seller's interest in the Property or any parts thereof.

(e) Seller Representation and Warranty Pertaining to Rent Roll. The Seller hereby represents and warrants to the Purchaser that to the current actual knowledge of Seller, the Rent Roll and all other documents required to be delivered to Purchaser are true and correct in all material respects as of the dates set forth thereon.

(f) Seller Representation and Warranty Pertaining to Tenant Agreements. The Seller hereby represents and warrants to the Purchaser that to the current actual knowledge of Seller, the Tenant Agreements constitute all of the oral and written agreements or understandings concerning the leasing or occupancy of the Property by which the Purchaser would be bound following the Closing.

(g) Seller Representation and Warranty Regarding Operation of the Property. The Seller hereby represents and warrants to the Purchaser that to the current actual knowledge of Seller, the Property Documents and the Permitted Exceptions constitute all of the oral and written agreements or understandings concerning the Property by which the Purchaser would be bound following the Closing other than the Tenant Agreements.

(h) Seller Representations and Warranties Regarding Discovery of New Information. The Seller hereby represents and warrants to the Purchaser that if the Seller discovers any information or facts prior to Closing that would materially change any of the foregoing representations and warranties or cause any of the foregoing representations and warranties to be untrue or misleading in any respect, the Seller will promptly give the Purchaser notice of those facts and information.

(i) AS IS CONDITION. PURCHASER HEREBY ACKNOWLEDGES, REPRESENTS, WARRANTS, COVENANTS AND AGREES THAT AS A MATERIAL INDUCEMENT TO SELLER TO EXECUTE AND ACCEPT THIS AGREEMENT AND IN CONSIDERATION OF THE PERFORMANCE BY SELLER OF ITS DUTIES AND OBLIGATIONS UNDER THIS AGREEMENT THAT, EXCEPT FOR SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 7 OF THIS AGREEMENT, THE SALE OF THE PROPERTY HEREUNDER IS AND WILL BE MADE ON AN "AS IS, WHERE IS" BASIS, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, FUTURE OR OTHERWISE, OF, AS TO, CONCERNING OR WITH RESPECT TO THE PROPERTY, INCLUDING BUT NOT LIMITED TO: (1) THE EXISTENCE OF HAZARDOUS MATERIALS OR MOLD UPON THE PROPERTY OR ANY PORTION THEREOF; (2) GEOLOGICAL CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE, UNDERGROUND WATER RESERVOIRS, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER AND FAULTING; (3) WHETHER OR NOT AND TO THE EXTENT TO WHICH THE PROPERTY OR ANY PORTION THEREOF IS AFFECTED BY ANY STREAM (SURFACE OR UNDERGROUND), BODY OF WATER, FLOOD PRONE AREA, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARD; (4) DRAINAGE; (5) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, PAST SOIL REPAIRS, SOIL ADDITIONS OR CONDITIONS OF SOIL FILL, OR SUSCEPTIBILITY TO LANDSLIDES, OR THE SUFFICIENCY OF ANY UNDERSHORE; (6) USES OF ADJOINING PROPERTIES; (7) THE VALUE, COMPLIANCE WITH THE PLANS AND SPECIFICATIONS, SIZE, LOCATION, AGE, USE, DESIGN, QUALITY, DESCRIPTION, DURABILITY, STRUCTURAL INTEGRITY, OPERATION, TITLE TO, OR PHYSICAL OR



FINANCIAL CONDITION OF THE PROPERTY OR ANY PORTION THEREOF, OR ANY RIGHTS OR CLAIMS ON OR AFFECTING OR PERTAINING TO THE PROPERTY OR ANY PART THEREOF, INCLUDING, WITHOUT LIMITATION, WHETHER OR NOT THE IMPROVEMENTS COMPLY WITH THE REQUIREMENTS OF TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990, 42 U.S.C. §§ 12181-12183, 12186(B) – 12189 AND RELATED REGULATIONS; (8) THE PRESENCE OF HAZARDOUS MATERIALS IN OR ON, UNDER OR IN THE VICINITY OF THE PROPERTY; (9) THE SQUARE FOOTAGE OF THE PROPERTY OR THE IMPROVEMENTS THEREON; (10) IMPROVEMENTS AND INFRASTRUCTURE, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE ROOF, FOUNDATION, FIXTURES, AND PERSONAL PROPERTY, IF ANY; (11) DEVELOPMENT RIGHTS AND EXTRACTIONS; (12) WATER OR WATER RIGHTS; (13) THE DEVELOPMENT POTENTIAL FOR THE PROPERTY; (14) THE ABILITY OF PURCHASER TO REZONE THE PROPERTY OR CHANGE THE USE OF THE PROPERTY; (15) THE ABILITY OF PURCHASER TO ACQUIRE ADJACENT PROPERTIES; (16) THE EXISTENCE AND POSSIBLE LOCATION OF ANY UNDERGROUND UTILITIES; (17) THE EXISTENCE AND POSSIBLE LOCATION OF ANY ENCROACHMENTS; (18) WHETHER THE IMPROVEMENTS ON THE PROPERTY WERE BUILT, IN WHOLE OR IN PART, IN COMPLIANCE WITH APPLICABLE BUILDING CODES; (19) THE STATUS OF ANY LIFE-SAFETY SYSTEMS IN THE IMPROVEMENTS ON THE PROPERTY; (20) THE CHARACTER OF THE NEIGHBORHOOD IN WHICH THE PROPERTY IS SITUATED; (21) THE CONDITION OR USE OF THE PROPERTY OR COMPLIANCE OF THE PROPERTY WITH ANY OR ALL PAST, PRESENT OR FUTURE FEDERAL, STATE OR LOCAL ORDINANCES, RULES, REGULATIONS OR LAWS, BUILDING, FIRE OR ZONING ORDINANCES, CODES OR OTHER SIMILAR LAWS; AND/OR (22) THE MERCHANTABILITY OF THE PROPERTY OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE (PURCHASER AFFIRMING THAT PURCHASER HAS NOT RELIED ON SELLER'S SKILL OR JUDGMENT TO SELECT OR FURNISH THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT SELLER MAKES NO WARRANTY THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE). NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, SELLER IS NOT RELEASED FROM ANY LIABILITY TO PURCHASER FOR FRAUD OR BREACH OF ANY EXPRESS COVENANT, REPRESENTATION OR WARRANTY SET FORTH IN THIS AGREEMENT.

PURCHASER ACKNOWLEDGES THAT AS OF THE EXPIRATION OF THE DUE DILIGENCE PERIOD, PURCHASER SHALL HAVE COMPLETED ALL PHYSICAL AND FINANCIAL EXAMINATIONS RELATING TO THE ACQUISITION OF THE PROPERTY HEREUNDER (IT BEING ACKNOWLEDGED AND AGREED THAT PURCHASER SHALL BE DEEMED TO HAVE INSPECTED EACH APARTMENT UNIT WITHIN THE PROPERTY) AND WILL ACQUIRE THE SAME SOLELY ON THE BASIS OF SUCH EXAMINATIONS AND THE TITLE INSURANCE PROTECTION FOR THE PROPERTY AFFORDED BY THE TITLE POLICY, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, AND SUBJECT TO SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 7 OF THIS AGREEMENT. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED



OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT THE SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, AND SUBJECT TO SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT. SELLER SHALL NOT BE LIABLE FOR ANY NEGLIGENT MISREPRESENTATION OR FAILURE TO INVESTIGATE THE PROPERTY NOR SHALL SELLER BE BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, APPRAISALS, ENVIRONMENTAL ASSESSMENT REPORTS, OR OTHER INFORMATION PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF, FURNISHED BY SELLER, OR ANY REAL ESTATE BROKER, AGENT, REPRESENTATIVE, EMPLOYEE, SERVANT OR OTHER PERSON ACTING ON SELLER'S BEHALF EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 7 OF THIS AGREEMENT. IT IS ACKNOWLEDGED AND AGREED THAT THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY PURCHASER SUBJECT TO THE FOREGOING. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, SELLER IS NOT RELEASED FROM ANY LIABILITY TO PURCHASER FOR FRAUD OR BREACH OF ANY COVENANT, REPRESENTATION OR WARRANTY SET FORTH IN THIS AGREEMENT.

PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT PURCHASER IS FULLY AWARE OF THE AGE OF THE PROPERTY, THAT OVER TIME VARIOUS EVENTS MAY HAVE OCCURRED ON THE PROPERTY WHICH EVENTS MAY BE TYPICAL AND/OR ATYPICAL OF EVENTS OCCURRING TO OTHER PROPERTIES OF SIMILAR AGE TO THE PROPERTY AND SIMILARLY LOCATED IN THE CITY OF SAN DIEGO AND/OR THE COUNTY OF SAN DIEGO, CALIFORNIA, AND THAT SUCH EVENTS MAY INCLUDE, WITHOUT LIMITATION, SLAB LEAKS, MOLD, FIRE, SHIFTING, AND VIOLATIONS OF LAWS, ORDINANCES, RULES, REGULATIONS, PERMITS, APPROVALS, LICENSES AND/OR ORDERS OF GOVERNMENTAL AGENCIES WITH JURISDICTION OVER THE PROPERTY.

THE CLOSING OF THE PURCHASE OF THE PROPERTY BY PURCHASER HEREUNDER SHALL BE CONCLUSIVE EVIDENCE THAT: (A) PURCHASER HAS FULLY AND COMPLETELY INSPECTED (OR HAS CAUSED TO BE FULLY AND COMPLETELY INSPECTED) THE PROPERTY; AND (B) PURCHASER ACCEPTS THE PROPERTY AS BEING IN GOOD AND SATISFACTORY CONDITION AND SUITABLE FOR PURCHASER'S PURPOSES.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT FOR RELIANCE ON THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, PURCHASER SHALL PERFORM AND RELY SOLELY UPON ITS OWN INVESTIGATION CONCERNING ITS INTENDED USE OF THE PROPERTY, AND THE PROPERTY'S FITNESS THEREFOR. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT SELLER'S COOPERATION WITH PURCHASER WHETHER BY

PROVIDING DOCUMENTS RELATING TO THE PROPERTY OR PERMITTING INSPECTION OF THE PROPERTY, SHALL NOT BE CONSTRUED AS ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF ANY KIND WITH RESPECT TO THE PROPERTY, OR WITH RESPECT TO THE ACCURACY, COMPLETENESS, OR RELEVANCE OF THE DOCUMENTS PROVIDED TO PURCHASER BY SELLER IN RELATION TO THE PROPERTY, PROVIDED THAT THE FOREGOING SHALL NOT BE A LIMITATION OR MODIFICATION OF THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT.

8. Condemnation of the Property.

(a) Condemnation. If between the Effective Date and the Closing Date, any condemnation or eminent domain proceedings are commenced that will result in the taking of any part of the Property, Purchaser may, at Purchaser's election, either:

(1) Terminate this Agreement by giving written or emailed notice to the Seller and the Escrow Agent (in which event all remaining funds or other things deposited in Escrow by Purchaser, including without limitation, the Deposit, shall be returned to the Purchaser immediately from Escrow, together with any interest earned thereon and all fees and costs charged by the Escrow Agent shall be paid one-half (1/2) by the Seller and one-half (1/2) by the Purchaser); or

(2) Proceed with the Closing and have Seller assign to Purchaser all of Seller's right, title and interest to any award made for the condemnation or eminent domain action.

(b) Notice. If Seller obtains notice of the commencement of or the threatened commencement of eminent domain or condemnation proceedings with respect to the Property, Seller shall notify the Purchaser in writing.

9. Broker's Commission. Seller and Purchaser each hereby represents and warrants to one another that neither of them has engaged the services of any real estate agent or broker. Seller and Purchaser each agree that, to the extent any real estate commission or brokerage and/or finder's fee shall be earned or claimed in connection with this Agreement or the Closing, the payment of such fee or commission, and the defense of any action in connection therewith, shall be the sole and exclusive obligation of the party who requested the services of the broker and/or finder. In the event that any claim, demand or cause of action or brokerage and/or finder's fee is asserted against the party to this Agreement who did not request such services, the party through whom the broker or finder is making the claim shall indemnify, defend (with an attorney of the indemnitee's choice) and hold harmless the other from and against any and all such claims, demands and causes of action and expenses related thereto, including (without limitation) attorneys' fees and costs.



10. Assignment. The Purchaser may assign this Agreement to an entity in which the Purchaser has a controlling or majority interest without the prior written consent of the Seller. Except as set forth in the immediately preceding sentence, no party shall assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other party hereto. Any attempted assignment or delegation of this Agreement by the Purchaser or Seller in violation of this Section 10 shall be void.

11. Notices. All notices under this Agreement shall be in writing and sent (a) by certified or registered mail, return receipt requested, in which case notice shall be deemed delivered three (3) Business Days after deposit, postage prepaid in the United States Mail, (b) overnight by a nationally recognized overnight courier such as UPS Overnight, or FedEx, in which case notice shall be deemed delivered one (1) Business Day after deposit with that courier, (c) by personal delivery, in which case notice shall be deemed delivered upon the actual date of delivery, or (d) by email, in which case notice shall be deemed delivered upon the actual date of delivery. All notices shall be delivered to the following addresses (unless changed by written notice to the other persons given in accordance with this Section 11:

To Purchaser: City of National City  
1243 National City Boulevard  
National City, California 91950  
Attn: Brad Raulston  
Email: [braulston@nationalcityca.gov](mailto:braulston@nationalcityca.gov)

Copy to: Office of the City Attorney  
1243 National City Boulevard  
National City, California 91950  
Attn: Roberto M. Contreras  
Email: [rcontreras@nationalcityca.gov](mailto:rcontreras@nationalcityca.gov)

Christensen & Spath LLP  
550 West C Street, Suite 1660  
San Diego, California 92101  
Attn. Walter F. Spath, Esq.  
Email: [wfs@candslaw.net](mailto:wfs@candslaw.net)

To Seller: Frank Safley and Deborah Safley  
111 12<sup>th</sup> Street  
Del Mar, California 92014  
Email: [fdsafley@gmail.com](mailto:fdsafley@gmail.com)

12. Prorations. Real property taxes and assessments, utility costs, rents, service and maintenance contract payments for contracts that are being assumed by the Purchaser (which assumption shall be of all service and maintenance and similar type contracts with regard to the Property to the extent same are assignable), and other expenses of operating the Property (provided, however, no proration shall be made with regard to any capital improvements, as determined in accordance with generally accepted accounting principles) shall be prorated as of



the close of Escrow. Sellers shall pay all real property taxes and assessments applicable to the period prior to the close of Escrow, and if any such taxes are unpaid after the close of Escrow, then Sellers shall pay them promptly and in any event within ten (10) days after Purchaser's request (which shall include a copy of the relevant tax bill). Sellers shall have the right, but not the obligation, to pursue after the close of Escrow collection from tenants of any rents due at the close of Escrow which are unpaid; provided, however, Sellers shall not have the right to bring any eviction proceedings against any such tenants. Purchaser shall use commercially reasonable efforts to collect rents after the close of Escrow which are applicable to time periods prior to the close of Escrow and shall promptly remit same to Sellers, provided, however: (i) any rents collected by Purchaser shall be applied to any rents then due and owing which apply to any time periods after the close of Escrow before being applied to any pre-close of Escrow delinquent rents; and (ii) Purchaser shall not be required to bring any lawsuit to collect any pre-close of Escrow delinquent rents. Notwithstanding anything in this Agreement to the contrary, the provisions of the previous two (2) sentences and this sentence of this Section 12 shall survive the close of Escrow.

### 13. General Provisions.

(a) Governing Law. This Agreement shall be interpreted and construed in accordance with California law.

(b) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(c) Captions. The captions in this Agreement are inserted for convenience of reference and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions of this Agreement.

(d) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors, heirs and permitted assigns.

(e) Modifications; Waiver. No waiver, modification, amendment, discharge or change of this Agreement shall be valid unless it is in writing and signed by the party against which the enforcement of the modification, waiver, amendment, discharge or change is sought.

(f) Entire Agreement. This Agreement contains the entire agreement between the parties relating to Purchaser's acquisition of the Property from Seller and all prior or contemporaneous agreements, understandings, representations or statements, oral or written, are superseded.

(g) Partial Invalidity. Any provision of this Agreement which is unenforceable, invalid, or the inclusion of which would adversely affect the validity, legality, or enforcement of this Agreement shall have no effect, but all the remaining provisions of this Agreement shall remain in full effect.

(h) Survival; No Merger. This Agreement, including without limitation, all representations, warranties, covenants, agreements, indemnities and other obligations of Seller and Purchaser in this Agreement, shall survive the Closing of this transaction and will not be merged into the Grant Deed or any other document.

(i) No Third-Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties to this Agreement and their respective successors and assigns, any rights or remedies.

(j) Time Of Essence. Time is of the essence in this Agreement.

(k) Attorneys' Fees. The parties agree that the prevailing party in litigation for the breach and/or interpretation and/or enforcement of the terms of this Agreement shall be entitled to their reasonable expert witness fees, if any, as part of their costs of suit, and attorneys' fees as may be awarded by the court, pursuant to California Code of Civil Procedure ("CCP") Section 1033.5 and any other applicable provisions of California law, including, without limitation, the provisions of CCP Section 998. All claims, disputes, causes of action or controversies shall be subject solely to the jurisdiction of the San Diego Superior Court, Downtown Branch.

(l) Relationship. Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create a relationship of principal and agent or partnership or a joint venture between Purchaser and Seller or between either or both of them and any third party.

(m) Recording. This Agreement shall not be recorded.

(n) Purchaser Approval. Where this Agreement refers to an action or approval of the Purchaser, it shall mean the approval of the Executive Director of the Purchaser, or designee, unless otherwise provided.

(o) Exhibits and Recitals Incorporated. All exhibits referred to in this Agreement are hereby incorporated in this Agreement by this reference, regardless of whether or not the exhibits are actually attached to this Agreement. The Recitals to this Agreement are hereby incorporated in this Agreement by this reference.

(p) Independent Counsel. Seller and Purchaser each acknowledge that: (i) they have been given the opportunity to be represented by independent counsel in connection with this Agreement; (ii) they have executed this Agreement with the advice of such counsel, if such counsel was retained; and (iii) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel, if such counsel was retained. The fact that this Agreement was prepared or negotiated by Purchaser's or Seller's counsel as a matter of convenience shall have no import or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against either party due to the fact that Purchaser's or Seller's counsel prepared or negotiated this Agreement in its final form.

(q) Capacity and Authority. All individuals signing this Agreement for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, represent and warrant to the other party that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**PURCHASER:**

City of National City

By: \_\_\_\_\_  
Leslie Deese, City Manager

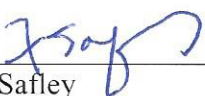
**APPROVED AS TO FORM:**

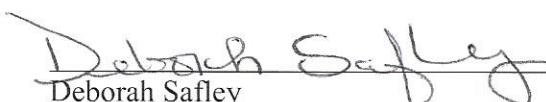
Angil P. Morris-Jones  
City Attorney

By: \_\_\_\_\_  
Roberto M. Contreras  
Deputy City Attorney

**[SIGNATURES CONTINUED ON FOLLOWING PAGE]**

**SELLER:**

  
\_\_\_\_\_  
Frank Safley

  
\_\_\_\_\_  
Deborah Safley



**Exhibit A**

**Legal Description of the Property**

All that certain real property situated in the City of National City, County of San Diego, State of California, described as follows:

Lots 19 through 22 of National City Refiled Map No. 348, plus adjacent closed alley, in the City of National City, County of San Diego, State of California

## **APPRAISAL REPORT**

An Existing 3,403 SF Industrial/Residential Building

Located at:

302 West 19th Street

National City, California 91950

## **APPRAISED FOR**

Mr. Gregory Rose

City of National City Property Agent

Housing & Economic Development Department

140 East 12<sup>th</sup> Street, Suite B

National City, CA 91950

## **DATE OF VALUATION**

September 19, 2017

## **DATE OF REPORT**

September 29, 2017

## **APPRAISED BY**

Brad C. Woodall, MAI

9922 Winecrest Road

San Diego, CA 92127

(858) 876-2510

# BRAD C. WOODALL, MAI

---

9922 Winecrest Road • San Diego, CA 92127 • Telephone: (858) 876-2510

September 29, 2017

Mr. Gregory Rose  
City of National City Property Agent  
Housing & Economic Development Department  
140 East 12<sup>th</sup> Street, Suite B  
National City, CA 91950

Mr. Rose:

This appraisal report has been prepared for the purpose of estimating the “as is” fair market value of the fee simple interest of the property located at 302 West 19th Street, National City, California.

The subject consists of an existing concrete block and wood frame and stucco mixed-use industrial/residential building containing 3,403 square feet on a 12,505 gross square foot lot. The first floor of the building is a single suite built-out for industrial use with office and storage space, while the second floor of the building has two two-bedroom/one-bath residential units. As of the date of value, the property was 100% occupied by three tenants.

## “As Is” Fair Market Value

Based on analysis of recent market activity, it was concluded that the “as is” fair market value of the fee simple interest in the subject as of September 19, 2017 was:

**EIGHT HUNDRED TWENTY-FIVE THOUSAND DOLLARS**  
**\$825,000**

The estimated exposure time is nine months and the estimated marketing time is also nine months.

The appraised value does not include any personal property items. This letter is only a part of the narrative appraisal report which follows (including the Addenda). For a brief summary of findings, please refer to the Summary of Salient Facts on page 1 of the report. This appraisal is for the exclusive use of the City of National City for loan underwriting. It may be used in connection with the acquisition, disposition, and financing of the sale of the property. No other use of the appraisal is authorized by the appraiser.

Page two  
Mr. Rose  
September 29, 2017

The value conclusion was developed subject to certain assumptions and limiting conditions which are listed later in the report. Subsequent changes in the assumptions may result in a different value conclusion. For that reason, the reader is strongly urged to review all of the assumptions and limiting conditions under which this appraisal was prepared.

Thank you for this opportunity to be of service.

Respectfully submitted,



Brad C. Woodall, MAI  
CA Certification No. AG015729  
Expiration date 2/12/19



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**SUMMARY OF SALIENT FACTS**

<b>LOCATION:</b>	302 West 19th Street, National City, California 91950	
<b>CENSUS TRACT:</b>	219	
<b>LAND AREA:</b>	Four lots containing approximately 12,505 gross square feet.	
<b>IMPROVEMENT DESCRIPTION:</b>	A concrete block and wood frame and stucco industrial/residential building which contains 3,403 gross square feet.	
<b>HIGHEST AND BEST USE:</b>	As if Vacant: Hold for future development As Improved: The existing improvements represent the highest and best use as improved.	
<b>INCOME:</b>	Potential Gross Income:	\$30,122
	Less Vacancy & Collection Loss:	<u>(\$602)</u>
	Effective Gross Income:	\$29,520
	Expenses:	<u>(\$7,535)</u>
	Net Operating Income:	\$21,985
<b>CAPITALIZATION RATE:</b>	6.25%	
<b>VALUE INDICATIONS:</b>	Sales Comparison Approach:	\$835,000
	Income Approach:	\$820,000
<b>“AS IS” FAIR MARKET VALUE:</b>	\$825,000	
<b>DATE OF VALUE:</b>	September 19, 2017	
<b>VALUE SOUGHT:</b>	“As Is” fair market value	
<b>INTEREST APPRAISED:</b>	Fee simple interest	
<b>EXPOSURE TIME:</b>	Nine months	
<b>MARKETING TIME:</b>	Nine months	

## SUBJECT PROPERTY PHOTOGRAPHS



VIEWING SOUTHWEST TO THE SUBJECT



VIEWING NORTHWEST TO THE SUBJECT



VIEWING NORTHWEST TO THE  
SOUTH SIDE OF THE SUBJECT



VIEWING SOUTHEAST TO THE  
NORTH SIDE OF THE SUBJECT



VIEWING SOUTHEAST TO THE  
WEST SIDE OF THE SUBJECT



VIEWING SOUTH TO THE  
NORTH SIDE OF THE SUBJECT

## SUBJECT PROPERTY PHOTOGRAPHS



INTERIOR VIEW OF OFFICE AREA  
IN INDUSTRIAL SUITE



INTERIOR VIEW OF STORAGE AREA  
IN INDUSTRIAL SUITE



VIEW OF RESTROOM IN INDUSTRIAL SUITE



INTERIOR VIEW OF LIVING ROOM  
IN RESIDENTIAL UNIT



INTERIOR VIEW OF KITCHEN  
IN RESIDENTIAL UNIT



INTERIOR VIEW OF BATHROOM  
IN RESIDENTIAL UNIT



## ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal was made under the following general and specific assumptions. The reader is cautioned that subsequent changes in any of the assumptions may result in a different value conclusion, and the appraiser reserves the right to modify the appraisal should there be any such changes.

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

11. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, ureaformaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
12. The appraiser is not a property inspector or engineer and is not qualified to detect deficiencies in the structural and mechanical components of the improvements. Unless otherwise stated in the report, it is assumed that the improvements have no structural or mechanical problems and that all mechanical systems including electrical, plumbing and HVAC are in proper working condition.
13. The Americans with Disabilities Act (ADA) became effective January 26, 1992. This appraiser is not qualified to perform a specific compliance survey or to determine whether the subject is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in conformance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property.
14. It is assumed that all necessary building permits were obtained to construct the improvements and the square footage figure utilized for the appraisal is the legal permitted square footage area.

This appraisal is made under the following general limiting conditions:

1. Any allocation of the total value estimated in this report between land and improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all, nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected)

shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.

5. Any value estimates provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the value estimate, unless such proration or division of interests has been set forth in the report.
6. The forecasts, projections, or operating estimates contained herein are based upon market conditions as of the date of value, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes in future conditions.

**Extraordinary Assumptions**

1. A rent roll and copies of leases were requested from the property owner, but were not provided. Therefore, the fee simple interest was appraised and an extraordinary assumption is made that there are no leases impacting the subject property.

**Hypothetical Conditions**

None

It should be noted that the use of extraordinary assumptions and/or hypothetical conditions may affect the assignment results.

## INTRODUCTION

### Identification of the Subject Property

The subject of this appraisal report is the existing industrial/residential property located at 302 West 19th Street, National City, California. A partial legal description, taken from public records is as follows:

Lots 19 through 22 of National City Refiled Map No. 348 plus adjacent closed alley,  
in the City of National City, County of San Diego, State of California.

### Identification of the Property Rights to be Valued

The property rights appraised are those of the fee simple estate. The definition of fee simple is:

*"absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."*<sup>1</sup>

There are three tenants occupying the subject property. A rent roll and copies of leases were requested from the property owner, but were not provided. Therefore, the fee simple interest was appraised and an extraordinary assumption is made that there are no leases impacting the subject property.

Personal property items are not included as a part of this valuation.

### Function of the Appraisal/Intended Use

This appraisal is for the exclusive use of the City of National City for potential acquisition purposes. No other use of the appraisal is authorized by the appraiser.

### Client/Intended Users

The City of National City is the client and the only intended user of the report.

### Type and Definition of Fair Market Value

The City of National City is attempting to purchase the subject property and could potentially need to use eminent domain authority. Therefore, the subject property is appraised under the threat of condemnation which requires the following definition of fair market value:

---

<sup>1</sup>The Dictionary of Real Estate Appraisal, Fifth Edition, p. 78.



*(a) The fair market value of the property taken is the highest price on the date of value that would be agreed to by a seller, being willing to sell but under no particular or urgent necessity for so doing, nor obliged to sell, and a buyer, being ready, willing and able to buy but under no particular necessity for so doing, each dealing with the other with full knowledge of all the uses and purposes for which the property is reasonably adaptable and available.*

*(b) The fair market value of the property taken for which there is no relevant, comparable market is its value on the date of valuation as determined by any method of valuation that is just and equitable.<sup>2</sup>*

## **Definitions**

Market Value “As Is” - is an estimate of the market value of a property in its current physical condition, use, and zoning as of the appraisal date.<sup>3</sup>

## **Date of the Value Estimate**

The effective date of value is September 19, 2017 and the date of the report is September 29, 2017.

## **Scope of the Appraisal**

This appraisal report is intended to conform with FIRREA, the current Code of Professional Ethics of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of The Appraisal Foundation. The appraiser meets the requirements of the Competency Provision of the current Uniform Standards of Professional Appraisal Practice.

The client has requested the appraiser provide one value estimate, “as is” fair market value of the fee simple interest. The appraisal process included, but was not limited to, the following steps. Regional and local demographics were studied and analyzed as they pertain to the subject. The report includes a market analysis of the industrial market which discusses inventory, absorption and vacancy in the subject’s market area. Additionally land inventory, building sale prices and lease rates are analyzed. A visit to the subject property was made, from which data was gathered for the site and improvement description sections of the report.

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<sup>2</sup>California Code of Civil Procedure, Title 7, Chapter 9, Article 4, Paragraph §1263.320.

<sup>3</sup>Interagency Appraisal and Evaluation Guidelines

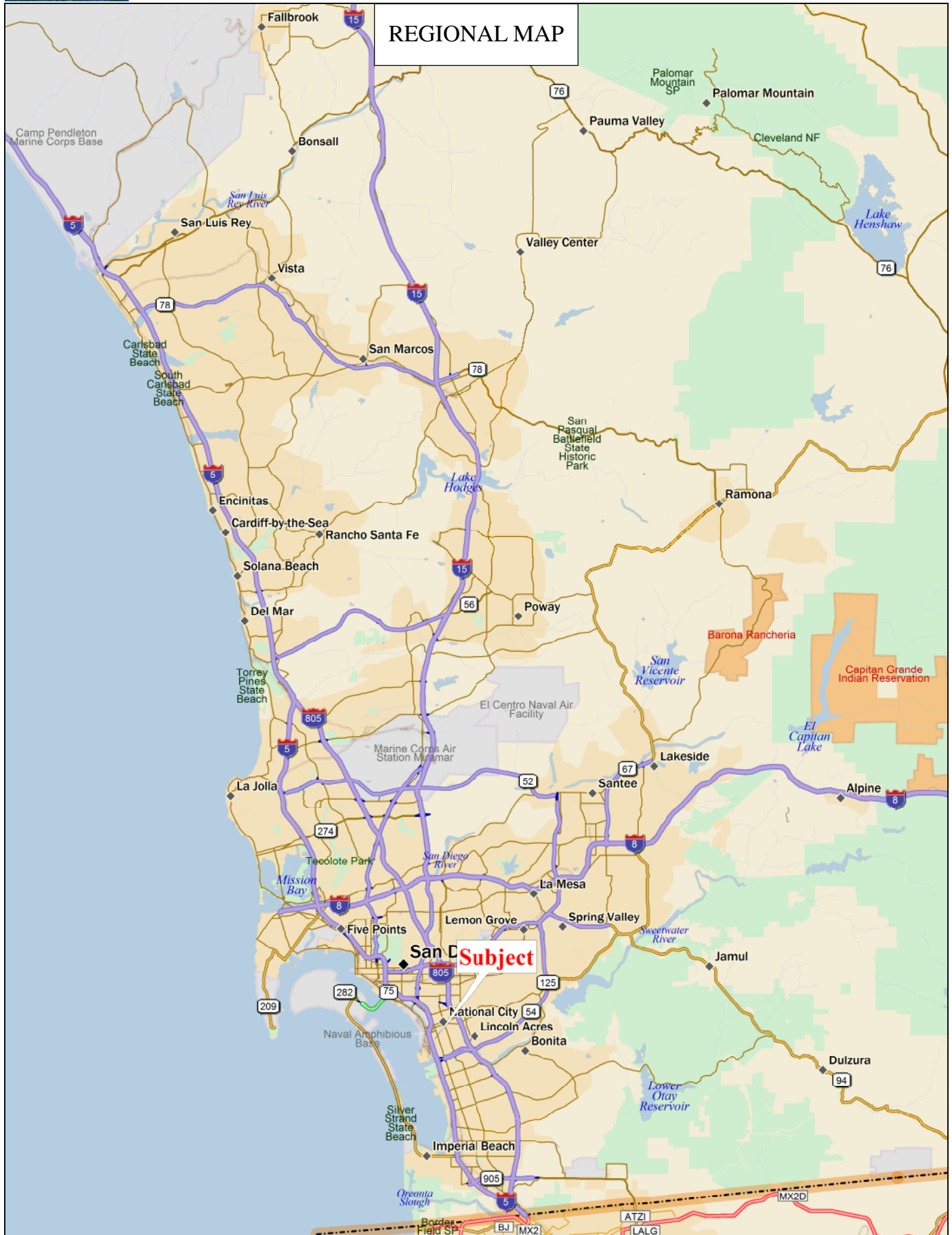
In the Highest and Best Use section of the report, a highest and best use as vacant and as improved was completed. For the highest and best use as vacant analysis, the maximally productive use of the site is estimated from the uses that are physically possible, legally permissible, and financially feasible; assuming the site is vacant. In the Highest and Best Use as Improved analysis, the maximally productive use of the property in its existing condition as of the date of value is estimated from the options that are physically possible, legally permissible, and financially feasible. A determination is made as to whether the existing improvements are the maximally productive use or whether some other use or modification of the existing improvements is the maximally productive use.

Following the Highest and Best Use analysis is the valuation of the property in which both the Sales Comparison and Income Approaches to value were undertaken. In this case, the Cost Approach was not utilized because of the lack of recent land sales in the market area. In the Sales Comparison Approach, comparable sales were researched and confirmed with a party involved in the transaction to determine the important details of the transaction. The most relevant characteristics of the sale comparables are then compared directly with the subject on a price per square foot basis.

In the Income Approach, lease data is researched and verified by property managers, leasing brokers or owners. The most relevant characteristics of the comparable leases are then compared directly with the subject in order to derive an estimate of market rent for the subject. For the industrial component, a vacancy and collection loss factor is derived by analysis of the for-lease market and determining vacancy and collection loss factors utilized by investors in the market. Operating expenses are then estimated by analysis of the subject's historical expenses, comparable properties, and expense surveys. The net operating income is then capitalized by a market derived capitalization rate which is extracted from comparable sales. For the residential component, a gross income multiplier was utilized to estimate value. After the Income Approach is a reconciliation of the approaches to value where a final estimate of market value is made.

### **Property and Ownership History**

According to public records, the current owners of record are Frank and Deborah Safley, who acquired the property on March 15, 2006 per Document No. 06-0177299. The purchase price was reported to be \$275,000. There have been no transfers in ownership of the subject property in the three years prior to the date of appraisal according to public records. To the appraiser's knowledge, the subject property is not currently listed for sale, nor is it in escrow.



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## REGIONAL DESCRIPTION

### Location

The subject property is located in San Diego County, California. San Diego County is located in the southwestern corner of the United States and is bordered on the west by the Pacific Ocean, and on the east by Imperial County. Riverside and Orange Counties form the northern boundary and Mexico is to the south.

### Population

The California Department of Finance reports a population of 3,316,192 persons for San Diego County as of January 1, 2017. That represents an increase of 474,779 persons, or 17.9%, from the April 2000 census amount of 2,813,833. Since 2000 the county has grown at a compound rate of 1.0% per year. The county growth rate into the year 2020 is projected to increase to about 2.2% per year.

The population of the City of San Diego was estimated at 1,406,318 persons as of January 1, 2017, or 42% of the total county population. The average compound annual growth rate for the City of San Diego has been 0.8% since 2000, and is projected to increase to 3.1% into the year 2020.

### Economic Base

As San Diego has grown in size, the economic base of the region has grown in diversity. The educational & health sector showed the largest percentage increase of employed persons between 1990 and 2010 with an increase of 74.9% or 63,000 workers. Over the last year (August 2016 to August 2017), the “Other Services” sector showed the largest percentage increase in employment with 5,000 new jobs, a 9.0% increase.

High technology employment has helped transform the San Diego Economy. Emerging growth areas include telecommunications, computers and software, biotechnology and medical instruments. Qualcomm has established San Diego as the nation’s leading telecommunications technology center. It is the county’s largest high technology employer with over 12,000 people employed. As of August 2017, the unemployment rate in San Diego was 4.7%.

### Income Levels

The median household income in San Diego County was \$47,360 in 2000. The County’s median household income increased by 46.9% to \$69,595 in 2016.



## **Housing**

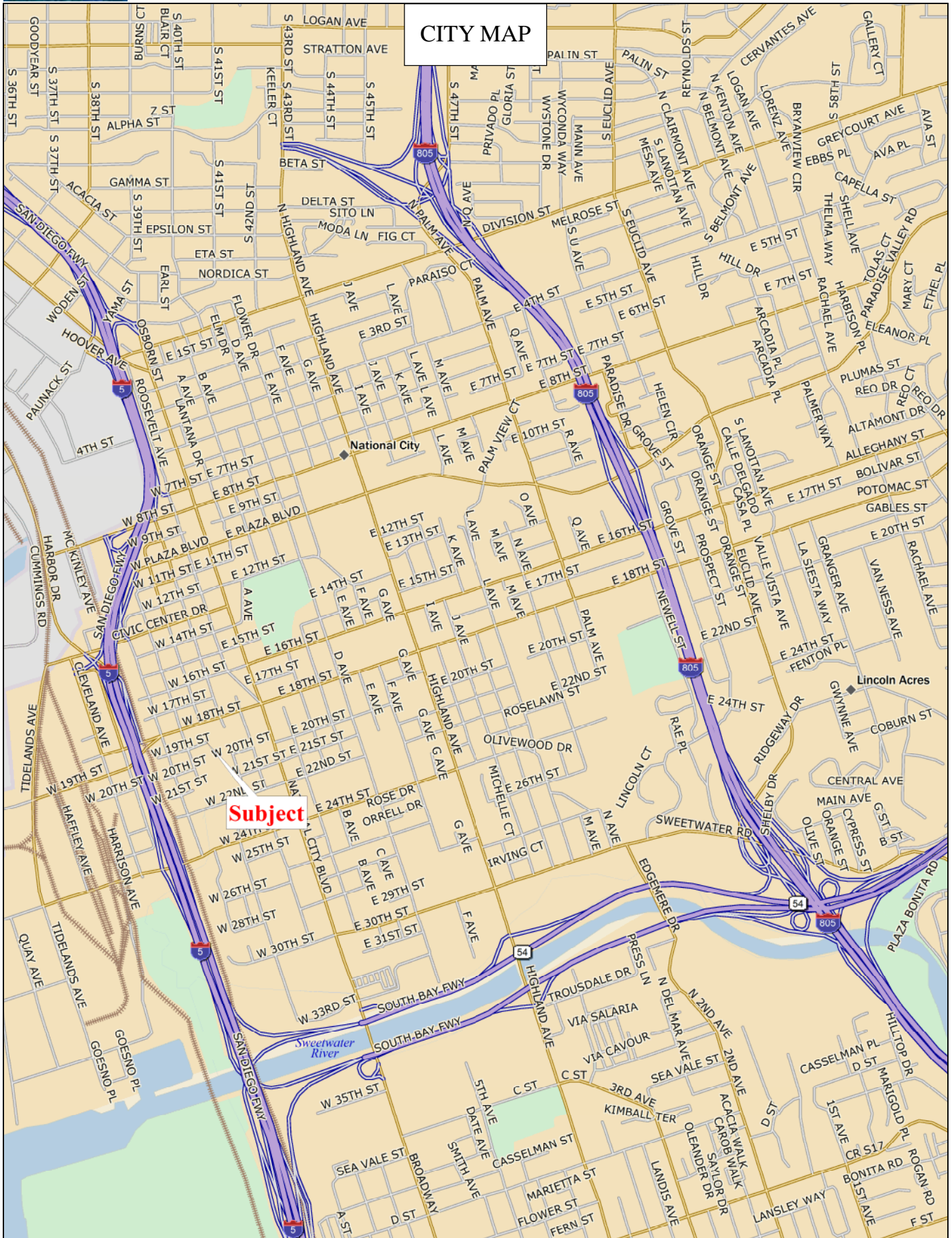
Based on a housing value survey conducted by independent appraisers for the San Diego Chamber of Commerce and the Real Estate Research Council, the average price of a single family home in San Diego was generally declining in the first half of the 1990's. For example, the average home price in the survey declined from \$233,300 in 1990 to \$203,900 in 1995. From 1996 to 2005, the average home price in the survey was steadily rising, but declined from 2006 to 2011. As of October 2016, the average home price in the survey was \$663,965, an increase of 7.8% from the prior year and an increase of 12.0% from October 2014.

The number of residential building permits and permitted units have declined substantially from the mid-1980's when the total number of permitted residential units ranged between 18,813 and 43,561 per year. Permits for residential units fell to 5,594 in 1993, which was the lowest level on record for the county since the 1940s. Permit activity reached 18,314 units in 2003, the highest since 1989. From 2004 to 2009 residential permits have decreased in each year, reaching the lowest permit level on record in 2009 with only 2,989 units. Multi-family unit permits increased in 2015 going from 4,329 units in 2014 to 6,852 units in 2015. Single family permits also increased between 2014 and 2015 going from 2,257 to 3,123 units.

## **Conclusion**

San Diego County's population has shown large increases in population in the 1990's, but has most recently began to slow down. Based on historical trends and forecasts, this gradual growth trend is expected to continue in the near future.

Growth in the economy is expected to resume, but further diversification is needed. Continued expansion is forecast in service-related fields, tourism and foreign trade. The education and health sector has recently been the fastest growing sector in terms of new employment on a year over year basis. Continued increases in high technology and the service sectors will help broaden the economy and provide a more stable environment for real estate investment in properties. Overall, the outlook for San Diego County's economy is positive on a long term basis. The residential home market is showing moderate appreciation over the last year. The industrial, office and retail markets are also showing signs of strength with declining vacancy factors over the last two years.



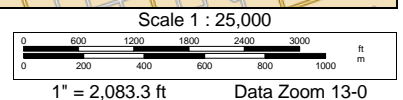
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## **CITY DESCRIPTION**

### **Location**

The subject property is located in National City which is approximately three miles southeast of downtown San Diego. National City is bounded by the City of San Diego on the north, the City of San Diego and the County of San Diego on the east, the City of Chula Vista on the south and San Diego Bay on the west.

### **Population**

The total population in the City of National City as of January 2017 was approximately 61,210 according to the California Department of Finance. Growth in National City was lower than the county-wide rate in the 2000's. Between 2000 and 2017 National City grew at a rate of 12.8%, while the county grew at a rate of 17.95% over the same time period. SANDAG projects National City's population to be 62,058 by the year 2020, which is an approximate 0.5% annual increase from the 2017 population figure.

### **Demographic Information**

In terms of household income, National City had a median household income of \$40,763 as of 2016 as compared to a regional median of \$69,595. As of January 1, 2016, there were 16,851 housing units in National City and 3.50 persons per household. The number of housing units increased 8.4% from 2000. The median age of National City's residents was 31.1 years, lower than the region's median age of 35.5 years.

### **Housing**

National City has a wide range of housing product ranging from 500± square foot homes on lots of 5,000 to 10,000 square feet, to old Victorian homes of 3,000+ square feet on 1.0+ acre lots. Detached resale housing prices have ranged from \$202,000 to \$527,000 over the last six months in National City with a median price of \$397,500 and an average price of \$392,938 according to the Multiple Listing Service (MLS). A total of 90 homes sold in National City through the MLS over the last six months and had an average marketing time of 32 days.

Attached resale housing prices have ranged from \$135,000 to \$369,000 over the last six months in National City with a median price of \$259,000 and an average price of \$263,000 according to the Multiple Listing Service (MLS). A total of 11 homes sold in National City through the MLS over the last six months and had an average marketing time of 66 days.

**Employment**

As of August 2017, total employment in National City was approximately 23,400 and unemployment was approximately 1,500 people or 6.0%. The average annual employment figure in 2016 was 23,300, an increase of 0.9% over the average annual employment figure in 2015. Average annual unemployment in the city has remained fairly stable over the last two years at between 5.9% and 6.6%. There is a fairly large industrial district in the city which provides employment for many of the city residents. The United States Navy is a large employer in the area with the Naval base at 32<sup>nd</sup> Street, about two miles northwest of the subject.

**Transportation and Access**

Primary access to National City is provided by Interstates 5 and 805. Interstate 5 runs north along the coast through San Diego County from the Mexican border. Interstate 805 parallels Interstate 5 and is located approximately two miles east of Interstate 5. From south to north, freeway access points in National City from Interstate 5 are at 24th Street, Civic Center Drive and Eighth Street. Freeway access points in National City from Interstate 805 are at Sweetwater Road, Plaza Boulevard and Division Street.

Major surface streets include National City Boulevard, Highland Avenue, Sweetwater Road, Division Street, Eighth Street, Plaza Boulevard, Civic Center Drive, 18th Street, and 24th Street. National City Boulevard, Highland Avenue and Plaza Boulevard are the primary commercial strips in the city.

National City has a light rail trolley system which extends from the U.S./Mexican border through the city limits and into downtown San Diego. There are two trolley stations in National City, one at the northeast quadrant of Interstate 5 and 24th Street, and the other at the northeast corner of Eighth Street and Harbor Drive.

**Public Services**

The City of National City has its own municipal police force for police protection. Fire protection service is currently provided from two fire stations, the closest is located about one-half mile to the northeast of the subject on East 16<sup>th</sup> Street. The City of National City does not provide a solid waste collection service. Private collectors are issued permits which allow the services to collect solid waste in the city. Telephone and cable television are also available.

Nine elementary, two junior high, and one senior high school serve the city. Paradise Valley Hospital serves the health care needs of National City's residents.



**Shopping**

National City Boulevard, Highland Avenue and Plaza Boulevard are the major commercial strips in the city, where there are older free-standing retail buildings and several strip centers. The nearest regional shopping center is Plaza Bonita, located about 2.5 miles southeast of the subject property. South Bay Plaza and Sweetwater Town and Country are large community shopping centers located in National City. The National City Mile of Cars is located on National City Boulevard between 18th Street and 33rd Street. The “Mile of Cars” is one of the largest centers of automobile sales in the county and is also the largest generator of sales tax revenue for the City of National City.

**Immediate Area of the Subject**

The subject is located on the south side of West 19<sup>th</sup> Street, one lot east of Harding Avenue in an area consisting a mixture of residential and industrial buildings. Adjacent uses include a vacant lot to the south, single family residences to the west and an open space lot to the east. Across West 19<sup>th</sup> Street to the north is Kimball Elementary School. The vacant lots to the south and east are owned by the City of National City. The lot to the east is utilized as an open space park. Further to the east of the park is a drainage channel.

## INDUSTRIAL MARKET CONDITIONS

### Regional Industrial Market

The regional industrial market has recently been showing signs of improvement over the last two years with a declining vacancy rate. Colliers International reports that the overall industrial vacancy rate in San Diego was 4.8% at the end of the second quarter of 2017. The following table shows the trend in vacancy in the regional industrial market over the last two years by quarter.

REGIONAL INDUSTRIAL VACANCY

Period	Vacancy
2 <sup>nd</sup> Qtr. 2015	5.3%
3 <sup>rd</sup> Qtr. 2015	5.2%
4 <sup>th</sup> Qtr. 2015	5.0%
1 <sup>st</sup> Qtr. 2016	5.0%
2 <sup>nd</sup> Qtr. 2016	4.8%
3 <sup>rd</sup> Qtr. 2016	4.4%
4 <sup>th</sup> Qtr. 2016	4.7%
1 <sup>st</sup> Qtr. 2017	4.9%
2 <sup>nd</sup> Qtr. 2017	4.8%

As shown in the table, the vacancy rate was declining from the second quarter of 2015 to the third quarter of 2016 going from 5.3% to 4.4%. There were slight increases in the vacancy rate in fourth quarter 2016 and first quarter 2017 and the vacancy rate as of second quarter 2017 was 4.8% which is near the two-year low. With 189,345,706 square feet of inventory in the Colliers International study, approximately 9,088,594 square feet of space was reported to be vacant.

The overall county market is now operating at a stabilized level, and there are several sub-markets where new construction may be justified. The following table shows construction activity and absorption figures for the prior two years according to Colliers International.

## REGIONAL INDUSTRIAL CONSTRUCTION AND ABSORPTION

Period	SF Under Construction	Net Absorption	Average Asking Rate
2 <sup>nd</sup> Qtr. 2015	1,412,043	1,517,634	\$1.01
3 <sup>rd</sup> Qtr. 2015	1,366,008	444,786	\$1.01
4 <sup>th</sup> Qtr. 2015	1,419,377	1,019,651	\$1.00
1 <sup>st</sup> Qtr. 2016	1,831,268	13,247	\$1.01
2 <sup>nd</sup> Qtr. 2016	1,698,858	294,137	\$1.02
3 <sup>rd</sup> Qtr. 2016	1,773,039	988,226	\$1.02
4 <sup>th</sup> Qtr. 2016	1,360,194	572,928	\$1.03
1 <sup>st</sup> Qtr. 2017	905,184	548,193	\$1.03
2 <sup>nd</sup> Qtr. 2017	598,583	546,504	\$1.03

In 2011, net absorption was 761,848 square feet, and increased substantially in 2012 to 3,062,786 square feet. In 2013 there was net absorption of 2,924,405 square feet, and in 2014 net absorption was 3,079,525 square feet which is just slightly above the figure achieved in 2013. In 2015, net absorption increased to 4,333,577 square feet, and in 2016, there was 1,868,538 square feet of net absorption, the lowest net absorption since 2011. There was 598,583 square feet of industrial space under construction in the second quarter of 2017.

The average asking lease rate for industrial space in San Diego has been fairly stable over the last two years ranging between \$1.00 and \$1.03 per square foot per month on a triple net basis. As of second quarter 2017 the average asking rate was \$1.03 per square foot, triple net

The available inventory of finished lots has decreased dramatically over the last few years. Industrial building sale prices have been increasing over the last two years after having been stable for the year before that. Demand for owner/user properties is reported to be good. Institutional investor interest is reported to be strong for large multi-tenant properties, as well as for smaller local investor properties.

### National City Industrial Market

The National City market contains about 2.0% of the total industrial space in the county. Industrial space in National City is quite varied and ranges in size from 1,000 to over 100,000 square feet. Construction type varies from metal, concrete block and concrete tilt-up with the older buildings being of metal and concrete block construction and the newer buildings generally are of concrete tilt-up construction.

### Vacancy, Inventory and Absorption Trends

According to Costar, as of the end of the second quarter of 2017, the National City industrial market contained 3,834,094 square feet of industrial space and had a vacancy rate of 1.6%. The following table presents a summary of inventory, vacancy, absorption and the average asking lease rate in the National City industrial market over the last two years based on information from Costar.

NATIONAL CITY INDUSTRIAL INVENTORY AND ABSORPTION

Period	Inventory	Vacancy Rate	Net Absorption	Average Lease Rate
2 <sup>nd</sup> Qtr. 2015	3,834,094	3.0%	(24,139)	\$0.72
3 <sup>rd</sup> Qtr. 2015	3,834,094	3.4%	(13,886)	\$0.67
4 <sup>th</sup> Qtr. 2015	3,834,094	3.0%	14,165	\$0.68
1 <sup>st</sup> Qtr. 2016	3,834,094	2.2%	31,830	\$0.76
2 <sup>nd</sup> Qtr. 2016	3,834,094	2.3%	(3,102)	\$0.71
3 <sup>rd</sup> Qtr. 2016	3,834,094	1.6%	26,914	\$0.76
4 <sup>th</sup> Qtr. 2016	3,834,094	1.9%	(12,915)	\$0.79
1 <sup>st</sup> Qtr. 2017	3,834,094	1.8%	1,815	\$0.75
2 <sup>nd</sup> Qtr. 2017	3,834,094	1.6%	5,043	\$0.68

Industrial inventory has remained constant at 3,834,094 square feet over the last two years. The vacancy rate has been very low over the last two years ranging between 1.6% and 3.4%, and as of second quarter 2017 was 1.6%. Net absorption has ranged from negative 24,139 square feet to positive 26,914 square feet over the last nine quarters. There was 21,547 square feet of negative net absorption in 2015, and 42,727 square feet of positive net absorption in 2016. Second quarter 2017 net absorption was 5,043 square feet.

### Planned Construction and Available Land Inventory

It is reported by Costar that there was no industrial space under construction in the National City market as of the end of the second quarter of 2017. Additionally, there is not much vacant land inventory in National City available for immediate industrial development. As a result, there is likely to be minimal additional inventory added to the market place which is a positive for the market. The district is estimated to be about 95% built-out.



### Market Rental Rates and Building Sale Prices

Lease rates for typical industrial space in National City are generally in the range of \$0.90 to \$1.00 per square foot per month on an industrial gross basis. Older, less desirable buildings or large distribution space may lease at lower rates, while newer, smaller space may lease at higher rates. Concessions are no longer common due to the low vacancy rate and a shortage of available space. According to Costar, the average asking lease rate for industrial space in National City has declined from \$0.72 per square foot per month on a triple net basis in second quarter 2015 to \$0.67 per square foot, triple net as of second quarter 2017.

Conventional industrial buildings in the market area are generally selling in the \$130 to \$170 per square foot price range for owner/user buildings in the 5,000 to 25,000 square foot size range. Small buildings with low coverage will command much higher price per square foot prices.

### Summary

County-wide, the industrial market vacancy rate has declined in the last two years, but has been fairly stable over last year. Vacancy for all industrial inventory has declined from 5.3% at the end of the second quarter of 2015 to 4.8% at the end of the second quarter of 2017. Net absorption has been positive in every quarter over the last two years. Despite low vacancy and strong absorption, the amount of new buildings under construction is at its lowest level in the last two years.

The National City industrial market had a second quarter 2017 vacancy rate of 1.6%, and there was no industrial space under construction as of the date of the appraisal. An additional positive factor is that there is minimal finished lot inventory in National City for new construction.

## APARTMENT MARKET CONDITIONS

In this section of the report, historic market activity for the apartment market is analyzed beginning with apartment sales activity.

### Sale Activity

According to information taken from Co-Star for apartment buildings, the number of apartment transactions has averaged about 367 transactions over the last ten years. The largest number of transactions since 2007 was 574 in 2015, while the lowest number of transactions was in 2009 with 176 transactions. The following table shows the number of annual apartment transactions in San Diego County over the last ten years.

APARTMENT TRANSACTIONS

Year	No. of Transactions	% Change
2007	320	-
2008	220	-31.25%
2009	176	-20.00%
2010	202	14.77%
2011	307	51.98%
2012	409	33.22%
2013	452	10.51%
2014	484	7.08%
2015	574	18.60%
2016	530	-7.67%

As can be seen from the preceding table, the number of transactions has been increasing since 2010 at rates of 7.1% to 52.0%. The exception was a 7.7% decline in 2016. From 2007 to 2009, the trend in the number of transactions was generally declining.

### Price Trends

The following table shows the average sale price per unit for apartments over the last ten years.

## APARTMENT AVERAGE PRICE PER UNIT

Year	Average Price per Unit	% Change
2007	\$158,636	-
2008	\$128,634	-18.91%
2009	\$114,415	-11.05%
2010	\$143,173	25.13%
2011	\$143,208	0.02%
2012	\$134,734	-5.92%
2013	\$169,236	25.61%
2014	\$165,506	-2.20%
2015	\$190,168	14.90%
2016	\$197,212	3.70%

From 2007 to 2009, the price per unit decreased in each year to a low of \$114,415 per unit in 2009. Prices declined between 11.1% and 18.9% per year between 2007 and 2009. In 2010, prices began to increase and have increased in all but two years through 2015. Price increases ranged between 0.02% and 25.6% per year in 2010 through 2016 with the largest price increase of 25.6% occurring in 2013. There were two years in that time period (2012 and 2014) that showed slight declines of 2.2% to 5.9%.

### Building Permits

Multi-family building permits increased exponentially during the 1980s as developers attempted to capture a share of the profitable market and pre-1986 investment tax credits. By 1996, multi-family building permits decreased to 1,052 units valued at \$87 million. Multi-family building permits increased by approximately 2000 units in 1997 and then stabilized in 1998. From 2007 to 2016, the number of multi-family permits was within a range of 1,092 to 7,563 units with a value range of \$128 to \$1,205 million. The majority of new apartment construction has continued to be for luxury complexes in the last five years. In 2010, permits were at a ten-year low in terms of the number of new permits and the value of the permits. Permit activity has been increasing since 2011 at rates of 10.4% to 171.8%. The only exception was in 2014 when the number of permits declined by 25.8%. In 2016 permit activity increased by 10.4% over 2015 figures. The following table shows the number of multi-family permits issued and the value of the permits over the last ten years.

## BUILDING PERMITS

Year	No. of New Permits	% Change	Value of Permits (\$1,000,000)	% Change
2007	3,942	-	485	-
2008	2,802	-28.92%	319	-34.23%
2009	1,204	-57.03%	132	-58.62%
2010	1,092	-9.30%	128	-3.03%
2011	2,968	171.79%	369	188.28%
2012	4,089	37.77%	613	66.12%
2013	5,835	42.70%	883	44.05%
2014	4,329	-25.81%	618	-30.01%
2015	6,852	58.28%	1,016	64.40%
2016	7,563	10.38%	1,205	18.60%

**Vacancy**

According to Costar, the county-wide apartment vacancy rate was 3.7% as of the end of second quarter 2017. That is slightly lower than second quarter 2016 when vacancy was 3.9%, and lower than second quarter 2015 when vacancy was 4.6%. According to Costar, apartment vacancy in the county has ranged between 3.7% and 5.0% on a quarterly basis over the last five years. The third quarter 2011 vacancy rate was the highest in the last five years at 4.0%, while second quarter 2017 was the lowest in the last five years at 3.7%.

Vacancy in National City was reported at 2.4% as of second quarter 2017, which is lower than second quarter 2016 vacancy at 2.6%, and second quarter 2015 vacancy of 3.1%. According to Costar, apartment vacancy in National City has ranged between 2.4% and 4.9% on a quarterly basis over the last five years. The second quarter 2012 vacancy rates were the highest in the last five years at 4.9%, while second quarter 2017 was the lowest in the last five years at 2.4%. The following table shows quarterly vacancy rates over the last two years based on data from Costar.



## APARTMENT VACANCY RATES

Quarter	San Diego County Vacancy	% Change	National City Vacancy	% Change
2 <sup>nd</sup> Qtr. 2015	4.6%	-	3.1%	-
3 <sup>rd</sup> Qtr. 2015	4.5%	-2.17%	3.1%	0.00%
4 <sup>th</sup> Qtr. 2015	4.1%	-8.89%	3.0%	-3.23%
1 <sup>st</sup> Qtr. 2016	3.9%	-4.88%	2.8%	-6.67%
2 <sup>nd</sup> Qtr. 2016	3.9%	0.00%	2.6%	-7.14%
3 <sup>rd</sup> Qtr. 2016	3.8%	-2.56%	2.5%	-3.85%
4 <sup>th</sup> Qtr. 2016	3.9%	2.63%	2.5%	0.00%
1 <sup>st</sup> Qtr. 2017	3.9%	0.00%	3.0%	20.00%
2 <sup>nd</sup> Qtr. 2017	3.7%	0.00%	2.4%	0.00%

The county-wide apartment vacancy rate as well as National City's vacancy rate should remain fairly stable into the immediate future. Construction activity has been modest over the last two years and the amount of new inventory added to the market has had little impact on vacancy rates and represents a small fraction of the existing inventory in the County. The biggest concern for the rental market is the current economy and job losses which have the potential to impact the vacancy rate in the near term. Recently there has been positive news with a declining unemployment rate which is beneficial to the apartment market.

**Rental Rates**

The following table shows the average rental rates for apartment units in San Diego County and National City according to Costar over the last two years.

## APARTMENT RENTAL RATES

Quarter	San Diego County Rental Rates	% Change	National City Rental Rates	% Change
2 <sup>nd</sup> Qtr. 2015	\$1,409	-	\$1,024	-
3 <sup>rd</sup> Qtr. 2015	\$1,438	2.06%	\$1,034	0.98%
4 <sup>th</sup> Qtr. 2015	\$1,435	-0.21%	\$1,041	0.68%
1 <sup>st</sup> Qtr. 2016	\$1,452	1.18%	\$1,049	0.77%
2 <sup>nd</sup> Qtr. 2016	\$1,486	2.34%	\$1,056	0.67%
3 <sup>rd</sup> Qtr. 2016	\$1,504	1.21%	\$1,064	0.76%
4 <sup>th</sup> Qtr. 2016	\$1,497	-0.47%	\$1,073	0.85%
1 <sup>st</sup> Qtr. 2017	\$1,527	2.00%	\$1,068	-0.47%
2 <sup>nd</sup> Qtr. 2017	\$1,560	2.16%	\$1,088	1.87%

The table shows the average rent in the county increased from \$1,409 in the second quarter of 2015 to \$1,560 in the second quarter of 2017, an increase of 10.7% or 0.4% per month. The average rental rate in National City increased from \$1,024 in second quarter 2015 to \$1,088 in second quarter 2017. That is an increase of 6.3% or 0.3% per month.

**Capitalization Rates**

Capitalization rates are now in the range of 4.5% to 5.50% for most conventional apartment properties in the County. However, capitalization rates tend to be much lower in the most desirable areas, such as coastal locations, Downtown, Midtown and Hillcrest and can be below 4.0% for the most desirable locations. Additionally, newer, high quality properties will have lower than typical capitalization rates. The price per unit indicator is also used as benchmark unit of comparison in the apartment market. Price per unit indicators have generally ranged between \$100,000 to \$175,000 in most areas of the county depending primarily upon unit mix, quality, condition and the income characteristics. Coastal properties tend to sell at much higher price per unit indicators and tend to start in the \$175,000 per unit range and are generally above \$200,000 per unit. That is also the case for very small two to four unit properties.

## TAX AND ASSESSMENT INFORMATION

The subject is identified as Assessor Parcel Numbers 559-104-05, 11, 14 & 15. The 2016-17 assessed value is distributed as follows:

2016-17 ASSESSED VALUE

APN	Land	Improvements	Total	Taxes
559-104-05	\$85,338	\$0	\$85,338	\$990.32
559-104-11	\$85,338	\$0	\$85,338	\$990.32
559-104-14	\$152,378	\$169,525	\$321,903	\$4,196.52
559-104-15	\$82,451	\$0	\$82,451	\$957.66
Totals:	\$405,505	\$169,525	\$575,030	\$7,134.82

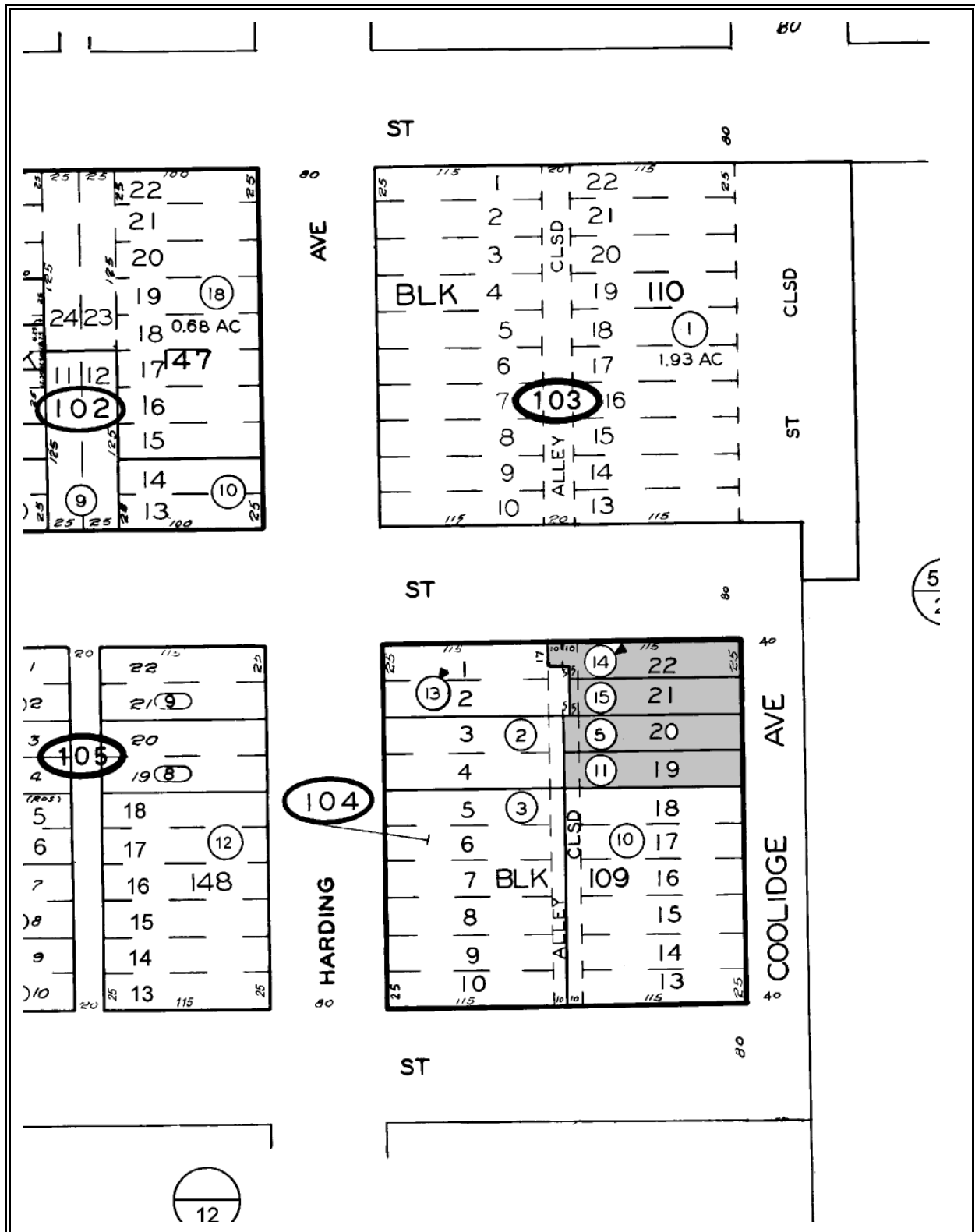
The subject is in tax rate area 06037 which has a tax rate of \$1.13115 per \$100 of the total assessed value. Property taxes for the 2016-17 fiscal year total \$7,134.82 and include the following special assessments:

SPECIAL ASSESSMENTS

Special Assessment	559-104-05	559-104-11	559-104-14	559-104-15	Totals
Vector Disease Control	\$1.24	\$1.24	\$2.50	\$1.24	\$6.22
Mosquito Surveillance	\$2.28	\$2.28	\$2.28	\$2.28	\$9.12
Sewer Service Charge	\$0.00	\$0.00	\$529.04	\$0.00	\$529.04
MWD - Water Standby	\$11.50	\$11.50	\$11.50	\$11.50	\$46.00
CWA - Water Availability	\$10.00	\$10.00	\$10.00	\$10.00	\$40.00
Totals	\$25.02	\$25.02	\$555.32	\$25.02	\$630.38

There are no bond assessments. The special assessments are fixed charges with an indefinite time period. The special assessments are not significant in terms of the valuation of the property and would probably not warrant consideration from potential buyers. The sewer service charge is on the tax bill rather than the water bill as in many other areas of the county. According to the tax collector, there are no delinquent taxes on the property.

## ASSESSOR'S PLAT





## **SITE DESCRIPTION**

### **Location**

South side of West 19<sup>th</sup> Street, one lot east of Harding Avenue, National City, CA.

### **Size and Shape**

The site consists of four lots containing approximately 12,505 gross square feet according to dimensions taken from the assessor's plat. There are sloping unusable areas on the south and west sides of the site and the net usable site is estimated to be approximately 9,705 square feet. The shape of the site is nearly rectangular.

### **Topography and Drainage**

The site is level to about 15 feet below street grade and is mostly usable. There are small sloping unusable areas on the south and west sides of the site which total approximately 2,800 square feet. It is assumed drainage has been properly engineered and directed away from the improvements.

### **Soil and Subsoil**

A geotechnical investigation was not provided for review. The appraisal is made under the assumption that there are no soil or subsoil conditions that would impair the utility of the site to the point of affecting its market value.

### **Utilities**

All public utilities including gas, electricity, telephone, water and sewer are connected to the site.

### **Access**

From Interstate 5, access to the site is provided by the Mile of Cars Way exit east for one block, then north on Wilson Avenue for four blocks, then east on West 19<sup>th</sup> Street for two blocks to the subject. Access on to the site is possible from one curb cut on West 19<sup>th</sup> Street and from a paved area to the east of the subject.

### **Street Improvements**

West 19<sup>th</sup> Street is a public street which has two lanes of bi-directional traffic. It is an asphalt-paved road improved with concrete curbs, gutters and sidewalks along the subject's frontage.

**Environmental Hazards**

The appraiser is not qualified to detect the existence of environmental or hazardous waste conditions. This appraisal is made under the assumption that there are no environmental or hazardous waste conditions on the site or nearby that would affect value. If there is a concern regarding environmental or hazardous waste conditions, the client is encouraged to have a Phase 1 environmental report prepared.

**Flood Hazard Area**

The subject is not within a flood zone, but is within 100 feet of a flood zone. A drainage channel is located about 260 feet east of the subject.

The subject is in Zone X of FEMA panel 06037C 1911G dated May 16, 2012. Most of the property is identified to be in an area of 0.2% annual chance flood, areas of 1% annual change flood with average depths of less than one foot or within areas less than one square mile. The owner reports that the property has never flooded in the time frame that he has owned it.

**Geologic Hazard**

The subject property is not located in an Alquist Priolo special studies zone.

**Easements and Encroachments**

A title report was not provided for review. It is assumed that there are no easements that have a negative impact on value of the subject property.

**Visibility and Exposure**

The site is located on a secondary street and visibility and exposure is average for an industrial and residential site.

**Adjacent Uses**

Adjacent uses include a vacant lot to the south, single family residences to the west and an open space lot to the east. Across West 19<sup>th</sup> Street to the north is Kimball Elementary School.

**On-site Improvements**

Existing site improvements include concrete and asphalt paving, concrete walkways, fencing, and landscaped areas consisting of a few shrubs, trees and lawn area.

**Site Utility**

The site has all of the physical characteristics required by industrial and residential users including functional dimensions, mostly level topography, and good access to the freeway system.

**Zoning**

The subject property is within the Westside Specific Plan and is designated MCR-2 (Mixed-use Commercial-Residential). Allowed uses in the MCR-2 zone include retail, office and residential. Maximum building height in the MCR-2 area is five stories or 65 feet. The maximum FAR is 0.60 and the maximum density is 60 units per acre. There is a minimum density of 24 units per acre. Off-street parking of 2.0 spaces per 1,000 square feet of building area are required for existing industrial uses. Multi-family uses require 1.0 spaces per unit. On-site parking requirements are met by the current parking layout. The existing industrial use is considered a legal non-conforming use. If the site was currently vacant, an industrial use would not be permitted. However, existing industrial uses are “grand fathered” and are allowed to continue on the property, even with a change in ownership.

**General Plan Designation**

According to the National City General Plan, the subject property is in a Specific Plan Area. The general plan and zoning designation are consistent and permit similar uses. No changes are anticipated in the plan that would impact the subject.

**Private Restrictions**

The appraisal is made under the assumption that there are no private restrictions that would adversely impact the site to the point of affecting value.

**Conformance**

The subject lots are legal conforming lots, but the improvements do not appear to conform to zoning regulations because industrial buildings are no longer allowed to be constructed on vacant sites with the MCR-2 designation.

**Conclusion and Summary**

Dimensions of the site provide adequate street frontage and access. All utilities are available and connected to the site and topography is mostly level. The site has all of the necessary characteristics required for commercial and residential users.

## IMPROVEMENTS DESCRIPTION

The subject improvements consist of a two-story concrete block and wood frame and stucco industrial/residential building. Public records indicate the building contains 3,360 square feet. The measured area was slightly larger at 3,403 square feet. The measured building area will be utilized in the appraisal. An assumption is made that the existing improvements were constructed with building permits and no illegal additions have been made.

The building is configured for three-tenant occupancy. The entire first floor is for one industrial tenant and contains approximately 1,793 square feet. It has an approximate 1,266 square foot office area and an approximate 527 square foot storage area. The office build-out equates to 71% of the building area. The second floor of the building contains two two-bedroom, one-bath residential units.

Following are the construction details of the improvements based on the site visit on September 19, 2017. It should be noted that interior of one of the residential units was not viewed. The owner reports that both units are identical. An assumption is made that the condition of the unit not viewed is similar to the unit which was viewed.

### Construction Details

#### Exterior Description

Substructure: Concrete slab on grade

Superstructure: Concrete block and wood frame with stucco exterior. The building is approximately 18 feet high and the clear height in the storage area is approximately eight feet.

Roof Structure and Cover: Wood roof structure with composition single cover. The roof was not inspected.

Windows and Doors: Windows are sliding in aluminum frames. The main entry doors are solid core wood and retail glass. Entrance to the industrial suite is on the east side of the building and entrances to the residential units are on the north side of the building. There is one 11' x 7' grade level door on the south side of the building.

#### Interior Description

Interior Walls: Textured and painted drywall partitions.



Ceilings and  
Lighting:

Acoustic tile ceilings with recessed fluorescent lighting in the industrial suite. The residential units have blown acoustic ceilings with ceiling mount lighting. The restrooms have drywall ceilings with ceiling or wall mount lighting.

Doors:

Interior solid core and hollow core wood doors with average quality hardware.

Floor Cover:

Ceramic tile and commercial grade carpet in office area of industrial suite. Restrooms have ceramic tile and sheet vinyl flooring. The storage area has concrete flooring. Residential units have sheet vinyl flooring throughout the units.

Restrooms:

There is one two-fixture restroom in the industrial suite. The residential units each have one restroom with cultured marble sinks/counters on wood vanities and fiberglass tub/showers.

Layout:

The building is configured for three-tenant occupancy with the industrial suite on the first floor and the two residential units on the second floor. The industrial suite has a large private yard area on the south side of the building.

Elevator/Stairs:

There are exterior wood stairs which provide access to the second floor.

Equipment and Mechanical Systems

Plumbing System: Copper, Steel, ABS and PVC plumbing; average quality fixtures

Electrical System: Electrical panels were not accessible. It is assumed electrical service is to code and adequate for the building.

HVAC System: Radiant heat

Fire Protection: The building does not have a fire sprinkler system.

Condition Survey

The appraiser is not a property inspector or engineer and is not qualified to detect deficiencies in the structural and mechanical components of the improvements. Unless otherwise stated in the report, it is assumed that the improvements have no structural or mechanical problems and that all mechanical systems including electrical, plumbing and HVAC are in proper working condition.

Items of Deferred

Maintenance: The property is in average condition and no deferred maintenance was noted.

Functional Utility:

The improvements were designed as a mixed-use property and functions adequately for its intended use.

Actual Age:	Public records indicate the improvements were built in 1959. Therefore, the improvements are 58 years old.
Effective Age:	The improvements are in average condition overall. The effective age is estimated to be approximately 40 years.
Remaining Economic Life:	In the appraiser's opinion, the remaining economic life of the building is approximately 20 years. The economic life could be significantly extended with proper maintenance and remodeling.
Site Plan Function:	The subject site is located on the south side of West 19 <sup>th</sup> Street with good access. There is not a circular pattern around the building, but there is adequate room for truck loading and unloading from the roll-up door for trucks. There is a fenced yard on the south side of the building. Overall, the site plan functions adequately for a typical industrial use. Residential uses are on the second floor with walk-up access which is typical in the market area. Parking for the residential units is at the northwest corner of the site.
Coverage Ratio:	The coverage ratio is 18% on the net usable site area.
Floor Area Ratio:	The floor area ratio (FAR) is 0.35 on the net usable site area.
Parking:	There are two parking spaces on the west side of the building for the residential units and room for several parking spaces in the yard area on the south side of the building. There is sufficient area on site to meet off-street parking requirements.
Personal Property:	This appraisal does not include any personal property items.

## HIGHEST AND BEST USE

Highest and best use is defined as:

*"The reasonably probable and legal use of vacant land or an improved property, that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property-specific with respect to the user and timing of use-that is adequately supported and results in the highest present value".<sup>4</sup>*

Two highest and best use analyses are performed. The first is done under the premise that the land is vacant and available to be put to its highest and best use. The second type takes into account the fact that the land is improved.

The process of identifying the highest and best use of a site under both premises involves filtering out the unlikely alternative uses which cannot meet at least one of the four tests of highest and best use. Those tests are: 1) that the use is **physically possible** upon the site, 2) that the use is **legally permissible**, 3) that the use is **financially feasible**, and 4) that the use is the **maximally productive** use among the alternatives.

### Highest and Best Use as if Vacant

#### Physically Possible

The subject site is mostly level, nearly rectangular in shape and contains 12,505 gross square feet. Its size, shape and topography do not create any building design limitations. The site has adequate visibility and accessibility, and all utilities are available to the site. It does not have any physical characteristics that would inhibit development. Potential physical uses of the property would include any market-driven development.

#### Legally Permissible

The subject property is within the Westside Specific Plan and is designated MCR-2 (Mixed-use Commercial-Residential). Allowed uses in the MCR-2 zone include retail, office and residential. Maximum building height in the MCR-2 area is five stories or 65 feet. The maximum FAR is 0.60 and the maximum density is 60 units per acre. There is a minimum density of 24 units per acre.

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<sup>4</sup>The Dictionary of Real Estate Appraisal, Fifth Edition, page 93

According to the National City General Plan, the subject property is in a Specific Plan Area. The general plan and zoning designation are consistent and permit similar uses. In addition to zoning regulations, legal permissibility is affected by private restrictions such as CC&Rs. It is assumed that there are no private restrictions which impact the allowed uses on the site.

### Financial Feasibility

There are three primary uses that are physically possible and legally permissible for the subject property; retail, office and residential use. It is beyond the scope of this appraisal assignment to determine the financial feasibility of each of those use types. Because the majority of uses in the immediate area are residential in nature, a residential use would be more compatible with surrounding development than a retail or office use. Additionally, the subject is not located on a primary commercial corridor and the site does not have all of the characteristics typically required by retail users. There are very few if any office uses in the immediate area, so office use does not fit the character of land use. Financial feasibility is marginal for any of the three physically possible and legally permissible uses.

### Maximally Productive & Conclusion

The Westside Specific Plan area where the subject is located is in transition with a recent zoning change. Existing land uses are predominately residential and industrial and despite the zone change, there has been minimal redevelopment. Of the uses permitted by zoning, residential use fits the current land use pattern best. Developers report that new apartment development is marginally feasible and sites would have to be required a very low prices to make new development feasible. The areas that are predominately residential in nature on the east side of the city appear to have some demand by apartment developers. However the areas with a mixture of industrial and residential uses such as the subject area have not seen much interest in redevelopment. Because of the uncertainty in the future development pattern of the immediate area, it is the appraiser's opinion that the maximally productive use is to hold the site for future development.

### **Highest and Best Use as Improved**

#### Physically Possible

There are four physically possible options for the property as improved: 1) Demolish all or a portion of the existing improvements in favor of constructing a new building; 2) Remodel the interior and/or exterior of the building; 3) Construct a building addition; or 4) Maintain the building in its current configuration.



### Legally Permissible

Each of the four physically possible options discussed in the preceding paragraph are legally permissible for the subject, except for a building addition. Due to the fact that industrial improvements are no longer an allowed use, it is unlikely that a building addition would be legally permissible unless the use was changed.

### Financially Feasible

While it would be physically possible and legally permissible to demolish all or a portion of the building, the building contributes to the overall value of the property. The value of the property as improved is greater than the value as vacant. Demolition of all or a portion of the building would not be a financially feasible alternative. The mixed-use nature of the property and the current configuration of the building would not make it a good candidate for conversion to 100% residential use.

The building was built in 1958 and there has been some remodeling over the years. Overall, the property is in average condition. The building has a functional design as a mixed-use property. Interior and/or exterior remodeling is not necessary at this time and is probably not financially feasible because the cost would exceed any increase in property value.

### Maximally Productive & Conclusion

Of the four scenarios that are physically possible and legally permissible, one is financially feasible. That is to maintain the property in its current configuration. Therefore, it is the appraiser's opinion that the maximally productive use is to maintain the property in its existing condition. At some point in the future, redevelopment to a 100% residential development likely be the maximally productive use. At the maximum density allowed by zoning, a maximum of 17 units would be permitted, but the maximum FAR is more restricting and would only allow for a 7,503 square foot building. Assuming an average unit size of 600 square feet for a one-bedroom unit and 800 square feet for a two-bedroom unit approximately ten residential units could be constructed with 50% being one-bedroom units and 50% being two-bedroom units.

### **Most Likely Buyer**

The most likely buyer for mixed-use property which is rented to three tenants would be an investor.

## INTRODUCTION TO VALUATION

The purpose of this appraisal is to estimate the “as is” fair market value of the subject property. Two approaches to value are utilized in the valuation analysis; the Sales Comparison Approach and the Income Approach. The Cost Approach is not included because of the lack of recent land sales.

In the Sales Comparison Approach, comparable sales are compared directly with the subject and adjustments are made to the sales for differing property characteristics. The adjusted value indicators from each of the sales are reconciled into an estimate of value for the subject property.

In the Income Approach, the market rent of the property is estimated by comparison with similar properties that have recently been leased. After deriving a gross income estimate, a market supported vacancy and collection loss allowance is deducted and operating expenses are deducted to provide an estimate of the net operating income. Finally, the net operating income is capitalized at a market derived rate for a value indication by the Income Approach.

As a mixed-use property, it would be ideal to locate sales of similar mixed-use properties. The subject is a unique mixed-use property which consists of an industrial component and two residential units. No similar mixed-used sales were located. The proper valuation methodology in this case is to value each component separately as appropriate for that property type in each approach. Then the values of each component are added to indicate a value of the property as a whole. That methodology was confirmed as the most appropriate by brokers and market participants in the event there are no similar mixed use sales.

Following the two approaches to value is a reconciliation of the value indications from each approach to value. In the reconciliation, the accuracy, appropriateness, and quantity of data is analyzed and an estimate of market value is presented.

## **SALES COMPARISON APPROACH**

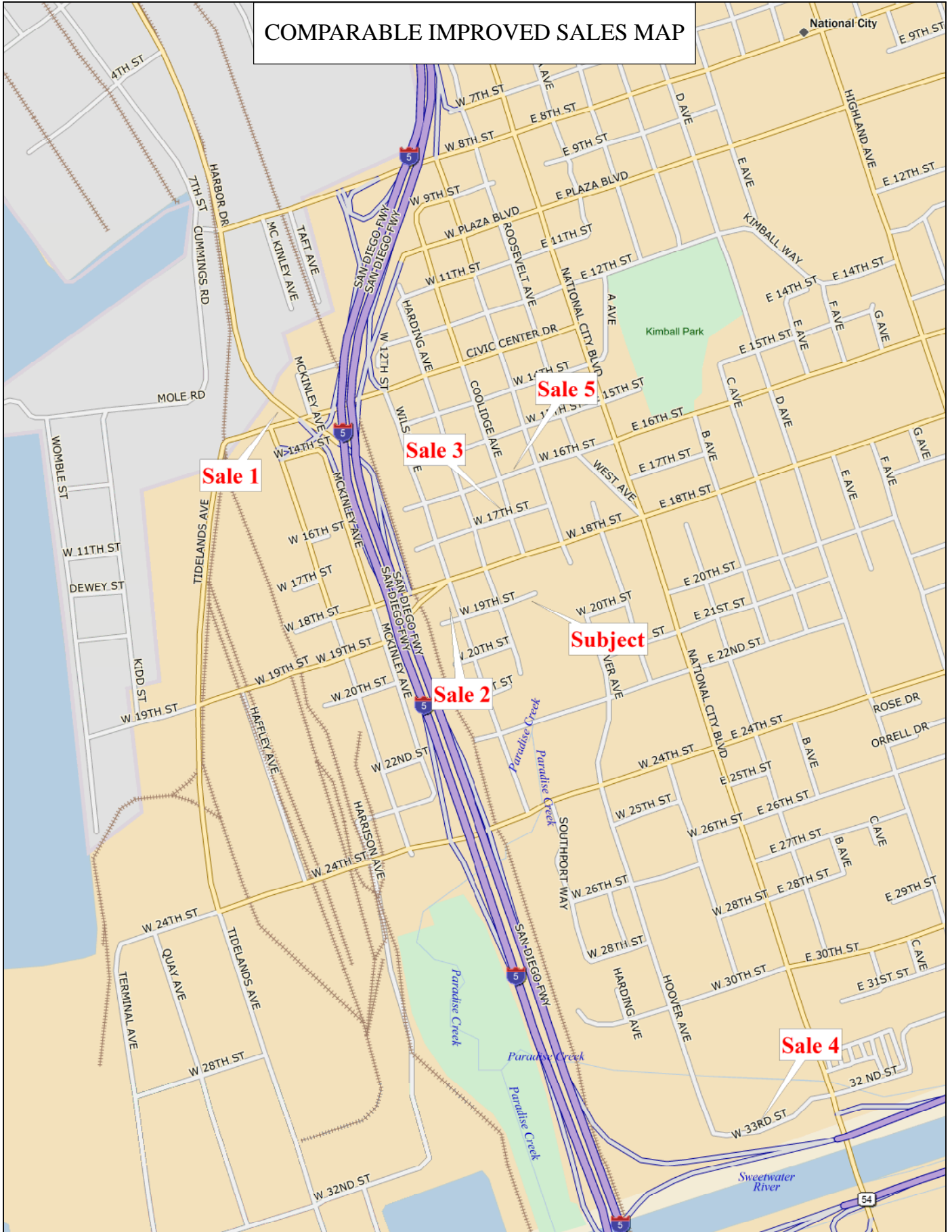
The Sales Comparison Approach is based on the premise that a property's value can be estimated by comparing it with properties of similar utility that have recently sold in the market. As in the Cost Approach, the principle of substitution provides a key relationship in the Sales Comparison Approach. Applied to the Sales Comparison Approach, the principle of substitution holds that a prudent buyer would not pay more for a property than the amount for which a property having similar utility could be purchased for in the open market. When substitute properties are not available in the market, the reliability of the Sales Comparison Approach may be inferior to the Cost or Income Approaches to value.

The Sales Comparison Approach involves a five-step process. First, research is undertaken to locate recent sales of properties with similar physical characteristics to the subject. After selecting the most similar sales data from those under consideration, the details of the sales are verified with one of the participants in the transaction. The next step in the Sales Comparison Approach is the selection of the appropriate units of comparison. In this case, the price per square foot of building area is the unit of comparison used most frequently in the market for industrial properties. For residential units, the price per unit and price per square foot units of comparison are utilized. Each of the sales are compared with the subject, and adjustments are made to the data to reflect the different characteristics which may have an effect on market value. Finally, the adjusted indications of value from each of the sales are reconciled into a single indication of value.

Since no similar mixed-use comparables were located, two separate analysis will be completed in the Sales Comparison Approach, one for the industrial portion of the subject and one for the residential portion of the subject. First the industrial portion of the subject will be valued, then the residential portion will be valued.

Following is a summary of the sales data considered to be the most helpful in estimating the market value of the subject property. Data sheets with photographs of each sale are located in the Addenda.

# COMPARABLE IMPROVED SALES MAP



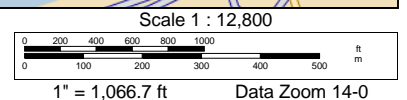
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## SUMMARY OF COMPARABLE SALES

Sale No.	1	2	3	4	5
Address	1200 Harbor Drive, National City	1840 Wilson Avenue, National City	1640 Coolidge Avenue, National City	221 West 33rd Street, National City	225-231 West 16th Street, National City
Thomas Bros. Map	1309 G-2	8/2/03	1309 H-2	1309 J-4	1309 H-2
Recording Date	3/8/17	10/14/16	5/26/16	2/26/16	6/17/15
Cash equivalent Sale Price	\$970,000	\$785,000	\$437,000	\$1,344,000	\$709,000
Rentable SF	6,485	4,664	2,700	8,400	5,275
Price per SF	\$149.58	\$168.31	\$161.85	\$160.00	\$134.41
Building Age	50+ Years	39 Years	43 Years	46 Years	24 Years
Office Percentage	15%	7%	19%	15%	10%
Clear Height	18'	18'	12'	18'	18'
Power	200 amp	200 amp	200 amp	1,200 amp	200 amp
Roll-up doors	6 Grade 0 Dock	2 Grade 0 Dock	1 Grade 0 Dock	2 Grade 0 Dock	2 Grade 0 Dock
Floor Area Ratio	0.46	0.69	0.48	0.49	0.60
Potential Gross Income	N/Ap.	N/Ap.	N/Ap.	N/Ap.	N/Ap.
Vacancy & Collection Loss	N/Ap.	N/Ap.	N/Ap.	N/Ap.	N/Ap.
Effective Gross Income	N/Ap.	N/Ap.	N/Ap.	N/Ap.	N/Ap.
Expenses	N/Ap.	N/Ap.	N/Ap.	N/Ap.	N/Ap.
Net Operating Income	N/Ap.	N/Ap.	N/Ap.	N/Ap.	N/Ap.
NOI per SF/Year	N/Ap.	N/Ap.	N/Ap.	N/Ap.	N/Ap.
G.I.M.	N/Ap.	N/Ap.	N/Ap.	N/Ap.	N/Ap.
O.A.R.	N/Ap.	N/Ap.	N/Ap.	N/Ap.	N/Ap.
Expenses per SF	N/Ap.	N/Ap.	N/Ap.	N/Ap.	N/Ap.
Expenses as % of EGI	N/Ap.	N/Ap.	N/Ap.	N/Ap.	N/Ap.

**Units of Comparison**

The most appropriate unit of comparison within the Sales Comparison Approach for industrial buildings is usually the price per square foot of building area. It is the most applicable unit of comparison within the Sales Comparison Approach.

The comparable sales are adjusted for all observable differences having an impact on value. Support for adjustments is provided in the following paragraphs.

**Property Rights Conveyed**

The fee simple interest in the subject property is appraised. All five of the sales involved the transfer of the fee simple interest and no adjustments for property rights conveyed are required.

**Financing Terms**

Sales 1, 3, 4 and 5 were purchased with market rate institutional loans with the sellers receiving all cash, while Sale 2 as an all cash sale. No adjustments for atypical financing terms are required.

**Conditions of Sale**

Each of the sales were arm's length market transactions with no unusual conditions of sale. No adjustments for conditions of sale are required.

**Market Conditions**

The sales went into escrow between April 2015 and January 2017. According to brokers interviewed during the course of the appraisal, there is not much inventory of available buildings in the subject size range and there is good demand for industrial buildings like the subject. Most reported prices have been increasing over the last two years. According to data from Costar, the median sale price per square foot for industrial buildings in the 0 to 25,000 square foot range in San Diego County increased 20.9% between second quarter 2015 and second quarter 2017. That equates to a 0.9% per month increase. The average sale price per square foot for industrial buildings in the 0 to 25,000 square foot range in San Diego County increased 30.3% between second quarter 2015 and second quarter 2017. That equates to a 1.3% per month increase.

Also considered in the analysis is the trend in average asking lease rates which has only increased 2.0% between second quarter 2015 and second quarter 2017. That equates to 0.1% per month increase. An upward market conditions adjustment of 0.75% per month will be applied to the comparable sales from the time escrow opened to the end of second quarter 2017.

**Bond Assessments** - The subject is not encumbered with any bond assessments nor are any of the sales. No adjustments for bond assessments are necessary.

### **Age/Condition**

The subject is 58 years old and in average condition. The actual age of Sale 1 is unknown, but is estimated at approximately 50+ years. It was in below average condition at the time of sale and the buyer had intended to remodel the improvements at a cost of \$100,000. Additionally, there were some un-permitted canopies that had to be removed which the listing broker stated was estimated to cost an additional \$10,000. An upward adjustment of \$110,000 is applied to Sale 1 for age/condition. Sale 2 was 39 years old at the time of sale and in average to good condition. It is adjusted downward by 4.75% for age which is based on a 0.25% adjustment for each year difference in age between the subject and the sale.

Sale 3 was 43 years old at the time of sale and in average condition except for some required roof repairs that were estimated at \$3,000. A downward adjustment of 3.75% is applied for age and an upward adjustment of \$3,000 is applied to Sale 3 for deferred maintenance. Sale 4 was 46 years old and in average condition with no reported deferred maintenance. It is adjusted downward by 3.00% for age. Sale 4 was 24 years old at the time of sale and was reported to be in average condition with no deferred maintenance. It is adjusted downward by 8.50% for age/condition.

### **Location**

The subject is located in National City. All five sales are located in National City within one mile of the subject. No adjustments are required for location.

### **Size**

The industrial component of the subject contains 1,793 gross square feet. The comparables range in size from 2,700 to 8,400 gross square feet. After all adjustments are applied, the sales indicated a very close range with one exception, Sale 5 which is a 5,275 square foot building. The fact that Sales 1 and 4 indicate such a close range indicates a size adjustment is not required. While the subject is smaller than all of the comparables, that is somewhat offset by the fact that it is not a single tenant building like the other sales. No size adjustments will be applied.

### **Tenant Improvements**

The subject has an office build-out of 71%, while the sales' office build-outs range from 7% to 19%. It has been found through paired sales analysis that in many cases buildings with very high second generation office build-outs sell for about the same on a price per square foot basis as buildings with

much lower office build-outs. While there are cases in which buildings with high build-outs do sell at a premium, in more cases than not, no premiums are supported for higher than typical build-outs. An adjustment for office build-out will not be applied to the sales.

### **Building Characteristics**

The industrial component of the subject is of concrete block construction with a clear height of approximately eight feet. It has one grade level door and is assumed to have adequate power. The subject's clear height, power and loading doors are adequate for a building of its size and intended use. Sales 1 and 3 are metal buildings which have 12 to 18 foot clear heights, 200 amp power and one to six grade level doors. Both of those sales are adjusted upward by 5.0% for metal construction which is less desirable than a concrete block building like the subject.

Sales 2, 4 and 5 are concrete block buildings that have clear height of 18 feet, power ratings of 200 to 1,200 amps and adequate loading doors. Those three sales are larger than the subject and have adequate clear height, power and loading doors for buildings of their size. They do not require adjustments for building characteristics.

### **Floor Area Ratio**

Floor area ratio (FAR) is an extremely important characteristic in the industrial market. Some users require large yard areas and are willing to pay a premium for properties with larger than typical yard areas. Generally buildings with lower FARs sell at a premium in the industrial market due to the desirability of the additional yard area.

The usable land area for the industrial component at the subject includes area under the building as well as the level portion of the fenced yard area to the south of the building. The estimated FAR on the usable area is approximately 0.20. The sales have FARs of 0.46 to 0.69. All five of the sales require downward adjustments for FAR.

The FAR adjustment is derived by calculating the land area that the comparable would require to have the same FAR as the subject. The surplus or deficient area is then multiplied by \$10.00 per square foot of land area and then divided by the sale price to arrive at the adjustment. While it is recognized that the land value of the subject is higher than \$10.00 per square foot, it must be recognized that the adjustment is for surplus land that is not a separate fee simple site that could be sold off if desired.

The following table shows the calculations for FAR adjustments.

	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Sale Price	\$970,000	\$785,000	\$437,000	\$1,344,000	\$709,000
Building Size	6,485	4,664	2,700	8,400	5,275
Net Lot Size	14,104	6,730	5,663	16,988	8,847
FAR	0.46	0.69	0.48	0.49	0.60
Subject's FAR	0.20	0.20	0.20	0.20	0.20
Land Size Required	32,425	23,320	13,500	42,000	26,375
Land Size Difference	18,321	16,590	7,837	25,012	17,528
Land Value	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
Adjustment	\$183,210	\$165,900	\$78,370	\$250,120	\$175,280

### Fenced Yard

The subject has a fenced yard area which is an important feature for many industrial uses. Sales 1, 3, 4 and 5 have fenced yard areas and do not require adjustments for this category. Sale 2 does not have a fenced yard area and is adjusted upward by 2.5%.

### Other

No other adjustments are required.

The following table shows the process of adjusting the comparable market data for differences with the subject that impact value:



## IMPROVED SALE ADJUSTMENT CHART

Sale No.	Subject	1	2	3	4	5
Sale Price	N/Ap.	\$970,000	\$785,000	\$437,000	\$1,344,000	\$709,000
Escrow Date	N/Ap.	1/17	9/16	3/16	12/15	4/15
Size (SF)	1,793	6,485	4,664	2,700	8,400	5,275
Price per SF	N/Ap.	\$149.58	\$168.31	\$161.85	\$160.00	\$134.41
Adjustments:						
Property Rights	Fee Simple	\$0	\$0	\$0	\$0	\$0
Adjusted Price	N/Ap.	\$970,000	\$785,000	\$437,000	\$1,344,000	\$709,000
Financing	Market	\$0	\$0	\$0	\$0	\$0
Cash Equiv. Price	N/Ap.	\$970,000	\$785,000	\$437,000	\$1,344,000	\$709,000
Conditions of Sale	None	0.00%	0.00%	0.00%	0.00%	0.00%
Cash Equiv. Price	N/Ap.	\$970,000	\$785,000	\$437,000	\$1,344,000	\$709,000
Market Conditions	Current	3.75%	6.75%	11.25%	13.50%	19.50%
Adjusted Price	N/Ap.	\$1,006,375	\$837,987	\$486,163	\$1,525,440	\$847,255
Bond Assessments	None	0.00%	0.00%	0.00%	0.00%	0.00%
Age/Condition	58/Avg	10.93%	-4.75%	-3.13%	-3.00%	-8.50%
Location	National City	0.00%	0.00%	0.00%	0.00%	0.00%
Size	1,793	0.00%	0.00%	0.00%	0.00%	0.00%
Tenant Improv.	Average	0.00%	0.00%	0.00%	0.00%	0.00%
Building Char.	Average	5.00%	0.00%	5.00%	0.00%	0.00%
FAR	0.54	18.21%	19.80%	16.12%	16.40%	20.69%
Fenced Yard	Yes	0.00%	2.50%	0.00%	0.00%	0.00%
Other	None	0.00%	0.00%	0.00%	0.00%	0.00%
Net Adjustment		34.14%	17.55%	17.99%	13.40%	12.19%
Adjusted Price	N/Ap.	\$1,349,944	\$985,033	\$573,624	\$1,729,797	\$950,518
Adjusted Price/SF	N/Ap.	\$208.16	\$211.20	\$212.45	\$205.93	\$180.19

**Conclusion of Value by Direct Sales Comparison**

The adjusted value range on a price per square foot basis is from \$180.19 to \$212.45. Sales 1, 2, 3 and 4 indicate a very close range at \$205.93 to \$212.45 per square foot. Sale 5 is the most dated transaction and its indicator is not consistent with the other four sales' indicators.

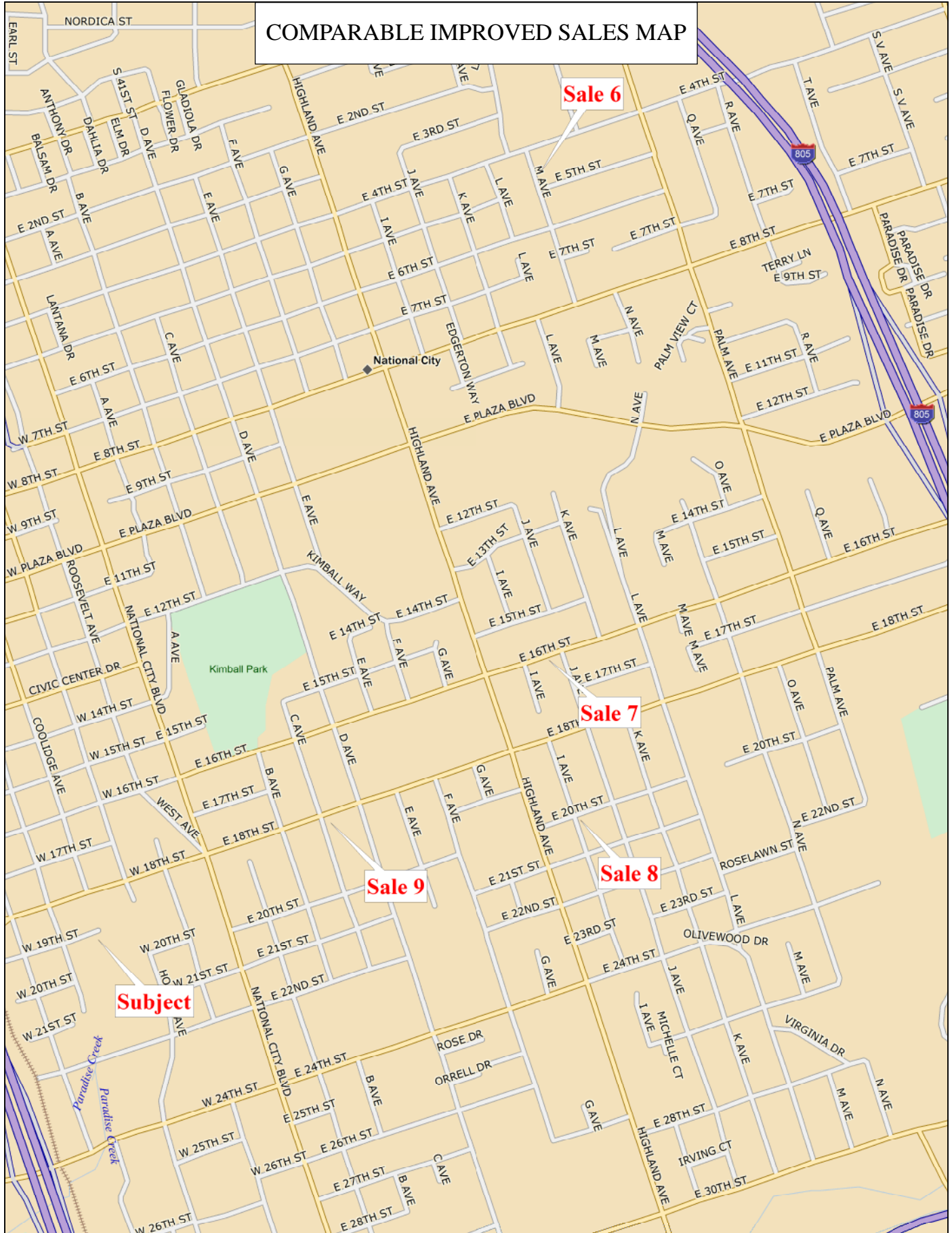
Based on the preceding analysis, a value within the range indicated by Sales 1 through 4 is appropriate for the subject. A value of \$210.00 per square foot is estimated for the subject by direct sales comparison. The resulting product is:

$$1,793 \text{ SF} \times \$210.00 = \$376,530$$

Rounded to: \$375,000

Following is a location map and a table summarizing the residential sales data considered to be the most helpful in estimating the market value of the subject property. Photographs and data sheets for each sale are in the Addenda.

# COMPARABLE IMPROVED SALES MAP



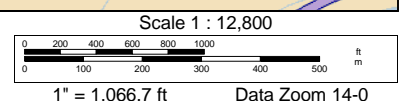
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## SUMMARY OF COMPARABLE SALES

Sale No.	Subject	6	7	8	9
Address	302 West 19 <sup>th</sup> Street, National City	445 M Avenue, National City	918-20 East 16th Street, National City	2004 I Avenue, National City	1805 C Avenue, National City
Thomas Bros Map Code	1309 J-2	1289 J-7	1309 J-2	1309 J-2	1309 J-2
Recording Date	-	5/12/17	5/9/17	4/19/17	10/20/16
Cash equivalent Sale Price	-	\$485,000	\$490,000	\$430,000	\$440,000
No. Of Units	2	2	2	2	2
Rentable SF	1,610	1,643	1,632	1,324	1,401
No. Of Bdrms/Unit	2.00	2.00	2.00	2.00	2.00
Age (Years)	58	59	70	60±	67
Average Unit Size	805	822	816	662	701
Price per Unit	-	\$242,500	\$245,000	\$215,000	\$220,000
Price per SF	-	\$295.19	\$300.25	\$324.77	\$314.06
Potential Gross Income	-	\$35,340	\$33,900	\$33,600	\$30,000
G.I.M.	-	13.72	14.45	12.80	14.67

**Units of Comparison**

The most appropriate unit of comparison within the Sales Comparison Approach for small residential income properties is usually the price per unit and price per square foot of rentable building area.

**Property Rights Conveyed**

The fee simple interest in the subject property is appraised. Each of the sales involved the transfer of the fee simple interest and no adjustments are required for property rights conveyed.

**Financing**

Sales 6, 8 and 9 were purchased with market rate institutional financing, while Sale 7 was an all cash sale. No adjustments are required for atypical financing.

**Conditions of Sale**

All of the sales were arm's-length, open market transactions with no atypical conditions of sale. None of the sales require adjustments for unusual conditions of sale.

**Market Conditions**

The comparable sales went into escrow between September 2016 and April 2017. According to MLS data, the average price per unit for 2-4 unit residential properties in National City increased from \$202,178 in third quarter 2016 to \$204,250 in second quarter 2017. That is an increase of 1.0% over a nine month period which indicates a relatively stable market. A market conditions adjustment will not be applied to the comparable sales.

**Condition**

The subject is in average condition with no deferred maintenance. No deferred maintenance was reported at any of the sales. The comparables are rated similar to the subject in terms of condition and no adjustments will be applied for condition.

**Location**

The subject is located on West 19<sup>th</sup> Street in National City. Each of the sales are located in National City within 1.5 miles of the subject. No adjustments are required for location.

**Unit Mix/Average Unit Size**

The number of bedrooms per unit at the subject is 2.00 and it has an average unit size of 805 square feet. Sales 6 and 7 have 2.0 bedrooms per unit and average unit sizes of 816 to 822 square feet.



Those two sales do not require adjustments for unit mix/average unit size. Sales 8 and 9 also have 2.0 bedrooms per unit, but have slightly smaller average unit sizes at 662 to 701 square feet. Those two sales are adjusted upward by 2.5% for their smaller average unit size.

**Density/Yard**

The subject units are on about 2,651 square feet of the subject site. That equates to a density of one unit per 1,325 square feet. Importantly, there is no yard area for either of the units. The comparables have densities of one unit per 2,079 square feet to one unit per 3,180 square feet and each have some yard area for the units. A downward adjustment of 5.0% is applied to each of the comparables for their lower density which allows for small yard areas.

**Age**

The subject units are approximately 58 years old. The comparables ranged in age from 59 to 70 years. All have been remodeled since originally constructed. In this case, an adjustment for age is not required.

**Complex Size**

The subject contains two residential units. The comparables all contain two units and an adjustment for complex size is not necessary.

Following is an adjustment chart which summarizes the adjustments applied to the comparable sales.

Sale No.	6	7	8	9
Sale Price	\$485,000	\$490,000	\$430,000	\$440,000
Escrow Date	3/17	4/17	3/17	9/16
No. of Units	2	2	2	2
Net Rentable SF	1,643	1,632	1,324	1,401
Price per Unit	\$242,500	\$245,000	\$215,000	\$220,000
Price per SF	\$295.19	\$300.25	\$324.77	\$314.06
Adjustments:				
Property Rights	\$0	\$0	\$0	\$0
Adjusted Price	\$485,000	\$490,000	\$430,000	\$440,000
Financing	\$0	\$0	\$0	\$0
Adjusted Price	\$485,000	\$490,000	\$430,000	\$440,000
Conditions of Sale	\$0	\$0	\$0	\$0
Cash Equiv. Price	\$485,000	\$490,000	\$430,000	\$440,000
Market Conditions	0.00%	0.00%	0.00%	0.00%
Adjusted Price	\$485,000	\$490,000	\$430,000	\$440,000
Condition	\$0	\$0	\$0	\$0
Location	\$0	\$0	\$0	\$0
Unit Mix	\$0	\$0	\$10,750	\$11,000
Density	(\$24,250)	(\$24,500)	(\$21,500)	(\$22,000)
Age	\$0	\$0	\$0	\$0
Complex Size	\$0	\$0	\$0	\$0
Adjusted Price	\$460,750	\$465,500	\$419,250	\$429,000
Adjusted Price/Unit	\$230,375	\$232,750	\$209,625	\$214,500
Adjusted Price/SF	\$280.43	\$285.23	\$316.65	\$306.21

### Price per Unit

The adjusted range of values on a per unit basis is from \$209,625 to \$235,750. Sales 1 and 2 indicate values at the upper end of the range at \$230,375 to \$232,750 per unit, while Sales 3 and 4 indicate values at the lower end of the range at \$209,625 to \$214,500 per unit. Consistent with the definition of fair market value, a value at the high end of the range is concluded for the subject. A

value of \$230,000 per unit is estimated for the subject. The value indicated by the price per unit analysis is \$460,000 (2 units x \$230,000).

#### Price per Rentable Square Foot

The comparables' adjusted range on a price per square foot basis is from \$280.43 to \$316.65. Typically, properties with the largest average unit sizes tend to have the lowest prices per square foot. A comparison of the price per square foot and average unit size is made in the following table, in which the sales are displayed in ascending order of average unit size.

COMPARABLE SALES' ADJUSTED PRICE PER RENTABLE SQUARE FOOT

Sale No.	Adjusted Price/SF	Average Unit Size (SF)
8	\$316.65	662
9	\$306.21	701
Subject	??	805
7	\$285.23	816
6	\$280.43	822

This method of analysis show a strong correlation between average unit size and price per square foot. The subject would be expected to have a price per square foot between that of Sales 7 and 9, which have price per square foot indicators of \$285.23 and \$306.21. The subject's average unit size is much close to Sale 7's average unit size than to Sale 9's average unit size and a price per square foot closer to Sale 7's figure would be expected. A price per square foot of \$290.00 is concluded for the subject. The value indicated by the price per square foot analysis is \$466,900 (1,610 SF x \$290.00), rounded to \$465,000.

#### **Conclusion of Value by the Sales Comparison Approach**

Two units of comparison are used in the Sales Comparison Approach: Price per Unit and Price per Square Foot of Rentable Area. As demonstrated in the market, these are the two methods most often applied by investors. The indications from both methods are as follows:

Price per Unit:	\$460,000
Price per Rentable Square Foot:	\$465,000

The two units of comparison indicate values of \$460,000 to \$465,000 for the subject. Typically, the price per unit indicator is more heavily relied upon than the price per square foot indicator.

Therefore, more weight is given to the price per unit indicator and the value of the subject residential units by the Sales Comparison Approach is concluded at \$460,000.

The value indicated for the industrial portion of the subject was estimated at \$375,000, while the value indicated for the residential portion of the of the subject was estimated at \$460,000. The value for the entire property is estimated by adding the value of the industrial portion with the value of the residential portion which indicates a total value for the property at \$835,000 by the Sales Comparison Approach.

**Value Indicated By the Sales Comparison Approach - \$835,000**

## **INCOME APPROACH**

The Income Approach to value is based on the premise that the present value of a property is related to the expectation of future benefits (usually income) to be derived from ownership of the property. Purchasers of income producing properties will pay a price which reflects potential income-producing capabilities of the property.

The Income Approach involves a four-step process. First, the property's potential gross income is estimated by analysis of lease rates at the subject property and recently signed leases in the market. Then, an appropriate vacancy and collection loss factor is deducted from the potential gross income to indicate an effective gross income. The next step in the Income Approach is development of the operating expenses which are deducted from the effective gross income to arrive at the net operating income. Finally, the net operating income is divided by a market derived capitalization rate for an indication of value. This process is known as direct capitalization and will be applied for the industrial portion of the property.

For the residential portion, a gross income multiplier (GIM) will be utilized as that is what investors in small residential income properties typically utilize. The GIM is multiplied by the potential gross income to arrive at a value estimate. Following is the Income Approach analysis beginning with the industrial portion of the property.

### **Current Income**

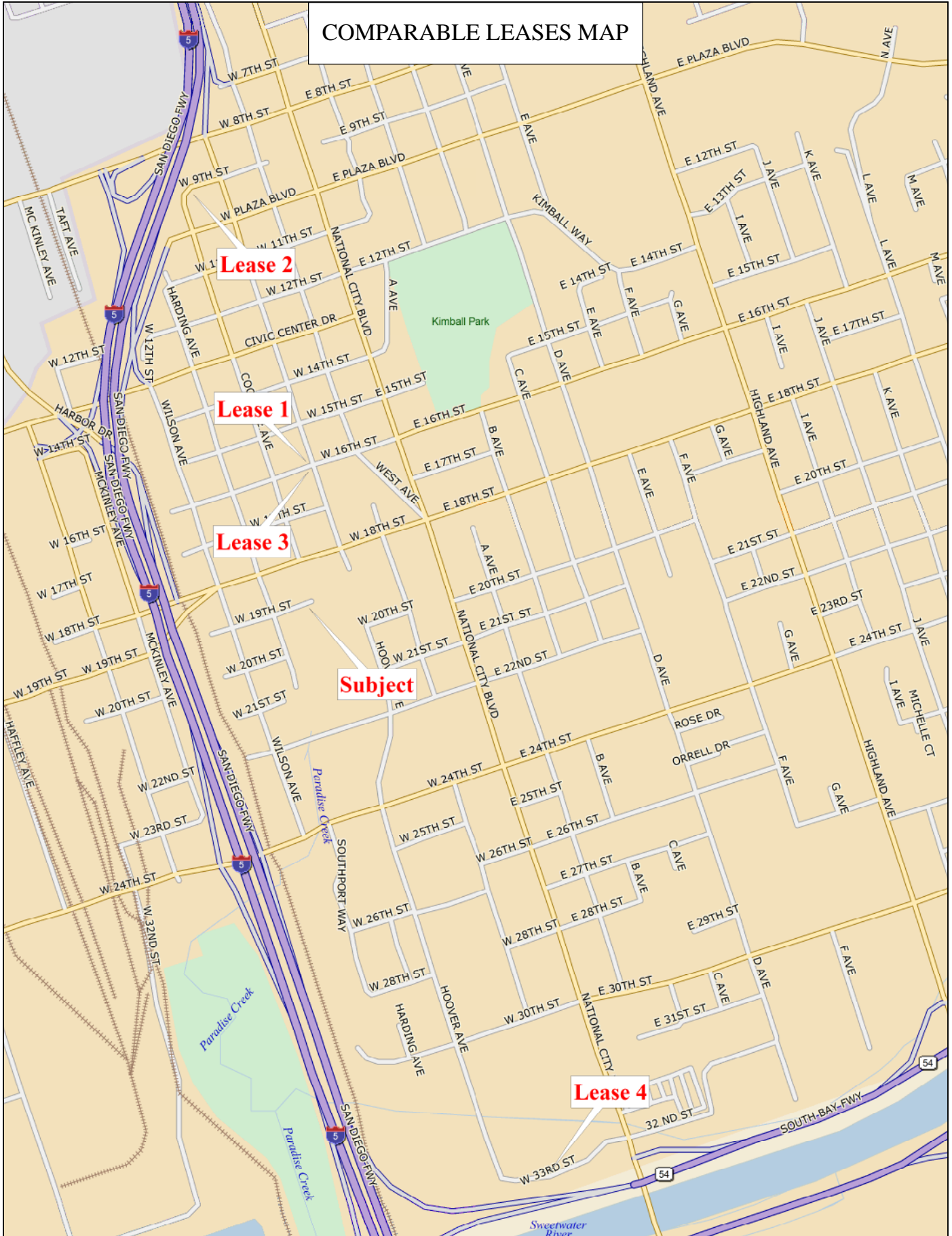
The industrial portion of the property is currently occupied by one tenant. A rent roll and lease document was requested from the owner, but was not provided.

### **POTENTIAL GROSS INCOME**

A rental survey was undertaken within the National City district to help estimate potential gross income for the subject improvements. On the following page is a location map of the comparable leases which is followed by a table which summarizes the details of the most helpful lease comparables. Data sheets for each lease transaction (including photographs) are located in the Addenda.



# COMPARABLE LEASES MAP



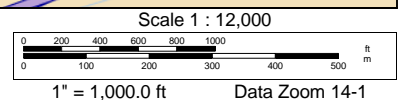
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## SUMMARY OF COMPARABLE LEASES

Lease No.	1	2	3	4
Address	1640 Hoover Avenue, Suite A, National City	901 Coolidge Avenue, National City	1706 Hoover Avenue, National City	221 West 33rd Street, National City
T.B. Map Code	1309 H-2	1309 J-4	1309 H-2	1309 J-4
Lessee	National Mechanical Services	Samantha Ward & Mickey Jogleff	Charter Communications	Trans Cold Distribution
Lease Date	3/17	2/17	11/16	3/16
Lease Size (SF)	4,000	4,300	4,000	8,400
Initial Rate/SF	\$0.95	\$0.91	\$1.00	\$0.98
Expense Basis	Industrial Gross	Industrial Gross	Industrial Gross	Industrial Gross
Triple Net Exp.	\$0.00	\$0.00	\$0.00	\$0.00
Increases	Fixed 3.0% per year	Fixed 3.0% per year	Fixed 3.0% per year	Fixed 3.0% per year
Lease Term	24 months	60 months	36 months	60 months
TI Allowance	\$0.00	\$0.00	\$0.00	\$0.00
Concessions	None	One month free	None	None
Building Age	37 years	40 years	33 years	46 years
Office %	0%	10%	20%	15%
Clear Height	18'	16'	14'	18'
Power	400 amps	400 amps	200 amps	1,200 amps
Roll-up doors	2 Grade 0 Dock	1 Grade 0 Dock	3 Grade 0 Dock	2 Grade 0 Dock

**Conclusion of Potential Gross Income**

The following discussion relates to the analysis of the comparable leases and draws conclusions relative to their rating, either superior or inferior, to the subject property. Each major difference and justification for adjustments is explained in the following sections.

**Lease Concessions**

The following table summarizes the lease concessions and applicable adjustments for each comparable.

Comparable No.	Concession	Adjustment PSF
1	None	\$0.00
2	1 month free on 60 month term	(\$0.02)
3	None	\$0.00
4	None	\$0.00

### **Expense Basis**

The subject's economic rent is estimated on an industrial gross basis. Under this arrangement, the landlord is responsible for paying all operating expenses associated with the building except for utilities. All four lease comparables were leased on an industrial gross basis and no adjustments are required for this category.

### **Market Conditions (Time Adjustment)**

The comparable leases were signed between March 2016 and March 2017. According to market reports by Costar, asking lease rates for industrial space in National City have been relatively stable between first quarter 2016 and first quarter 2017 going from \$0.76 to \$0.75 per square foot. While the average asking lease rate went down in second quarter 2017, brokers interviewed indicated that lease rates are not declining in the market area. An adjustment for market conditions will not be applied to the comparables.

### **Location**

The leases are all located in the National City district within one mile of the subject. Each of the lease comparables have similar locations as compared to the subject for an industrial building. No location adjustments are necessary.

### **Age/Condition**

The subject is 58 years old and in average condition. The lease comparables ranged in age from 33 to 46 years and were reported to be in average condition. While the subject is older than the comparables, it has had some remodeling in the last few years. No adjustments are applied for age/condition.

### **Size**

The industrial portion of the subject contains 1,793 square feet. The comparable leases range in size from 4,000 to 8,400 square feet. Leases 1, 2 and 3 range in size from 4,000 to 4,300 square feet,

while Lease 4 is larger at 8,400 square feet. Pairing Leases 1, 2 and 3 with Lease 4 does not provide support for a size adjustment. For that reason, no adjustments will be applied for size differences.

### **Lease Rate Adjustments**

Adjustments may be required for leases with atypical lease rate adjustments. Typical lease rate adjustments in the market are 3.0% to 4.0% per year or annual increases of \$0.05 per square foot per month. All four of the lease comparables have typical lease rate adjustments and no adjustments are required for atypical lease rate adjustments.

### **Tenant Improvements**

The subject has an office build-out of approximately 71%, while the comparables' office build-outs range from 0% to 20%. The leasing market does not generally pay a premium for second generation tenant improvements. This is supported by examples of lease transactions which show that second generation buildings with above average build-outs lease at about the same rate as buildings with lower more typical build-outs. Brokers interviewed also verified that buildings with atypically high build-outs lease at about the same as buildings with standard build-outs. No adjustments for tenant improvements are necessary for the comparables.

While Lease 1 was 100% warehouse space, the leasing broker was of the opinion that it would not have leased for any more with a 10% to 20% office build-out. Additionally, pairing that comparable with the other comparables does not support an adjustment for the lack of an office build-out.

### **Building Characteristics**

The industrial portion of the subject is of concrete block construction with a clear height of approximately eight feet. It has one grade level door and power is assumed to be adequate. Its clear height, power and loading doors are adequate for a building of its size and intended use. Leases 1, 2 and 4 are concrete block buildings, while Lease 3 is a metal building. The comparables have clear heights ranging from 14 to 18 feet, power ratings of 200 to 1,200 amps and adequate loading doors. Lease 3 is inferior due to its metal construction and is adjusted upward by 5.0%. Adjustments are not necessary for the remaining comparables for building characteristics.

### **Floor Area Ratio**

The usable land area for the industrial component at the subject includes area under the building as well as the level portion of the fenced yard area to the south of the building. The estimated FAR on the usable area is approximately 0.20. The comparables' FARs range from 0.40 to 0.71 on the net usable land area and require upward adjustments.

The adjustments for FAR are derived by calculating the land area that the comparable would require to have the same FAR as the subject. The surplus or deficient area is then multiplied by \$0.20 per square foot of land area and then divided by the leased area to arrive at the adjustment. Lease rates for industrial yard areas are typically in the range of \$0.15 to \$0.20 per square foot.

### Fenced Yard

The industrial portion of the subject has a fenced and gated yard area. The comparables are single or two-tenant buildings, which have fenced yard areas. No adjustments are required for this category.

Following is an adjustment chart which summarizes the adjustments applied to each of the comparable leases.

LEASE COMPARABLE ADJUSTMENT CHART

Lease No.	Subject	1	2	3	4
Initial Lease Rate	N/Ap.	\$0.95	\$0.91	\$1.00	\$0.98
Lease Date	Current	3/17	2/17	11/16	3/16
Size (SF)	1,793	4,000	4,300	4,000	8,400
Adjustments:					
Lease Concessions	None	\$0.00	(\$0.02)	\$0.00	\$0.00
Effective Rent/SF/Mo.	N/Ap.	\$0.95	\$0.89	\$1.00	\$0.98
Expense Basis	Ind. Gross	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Rent/ SF/Mo.	N/Ap.	\$0.95	\$0.89	\$1.00	\$0.98
Market Conditions	Current	0.00%	0.00%	0.00%	0.00%
Adjusted Rent/SF/Mo.	N/Ap.	\$0.95	\$0.89	\$1.00	\$0.98
Location	National City	\$0.00	\$0.00	\$0.00	\$0.00
Age/Condition	Average	\$0.00	\$0.00	\$0.00	\$0.00
Size	1,793	\$0.00	\$0.00	\$0.00	\$0.00
Lease Rate Adjustments	N/Ap.	\$0.00	\$0.00	\$0.00	\$0.00
Tenant Improvements	Average	\$0.00	\$0.00	\$0.00	\$0.00
Building Characteristics	Average	\$0.00	\$0.00	\$0.00	\$0.00
Floor area ratio	0.20	\$0.47	\$0.54	\$0.38	\$0.44
Fenced Yard	Fenced yard	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Rent/SF/Mo.	N/Ap.	\$1.42	\$1.43	\$1.38	\$1.42



After adjustment, the comparable leases indicate a range of effective rental rates between \$1.38 and \$1.43 per square foot on an industrial gross basis. That is a very close range.

Based on analysis of the comparables, a rate of \$1.40 per square foot per month on an industrial gross basis is estimated for the subject. The annual potential gross income for the industrial portion of the subject is therefore calculated as follows:

$$1,793 \text{ SF} \times \$1.40 = \$2,510.20 \text{ per mo.} \times 12 = \$30,122 \text{ per yr.}$$

### **VACANCY AND COLLECTION LOSS**

In the District Description section of the report it was reported that the vacancy rate in the National City industrial market was about 1.6% as of the end of second quarter of 2017 according to a report by Costar. Vacancy has ranged from 1.6% to 3.4% over the last two years and has averaged 2.2%. The subject is currently 100% owner/occupied and has been for several years.

It is fairly typical for buyers of single tenant industrial buildings to utilize vacancy and collection loss factors of between 0.0% and 5.0% when the market is operating close to stabilized occupancy. The National City market is now operating at a level of occupancy typically considered to be above stabilized, and there is low potential for new inventory to be added to the market due to the built-out nature of the district. A 2.0% allowance appears appropriate to account for physical vacancy as well as collection loss over the economic life.

### **EXPENSES**

The market rent estimated for the subject is on an industrial gross expense basis where the landlord pays for property taxes, insurance, and exterior maintenance and repairs, and may also incur costs for professional property management. Operating statements were requested from the owner, but were not provided.

Sources for estimating expenses are: 1) historical expense data from comparable properties, and 2) published expense surveys in the market area. Since operating statements were not available to the appraiser, the expenses were estimated primarily based on historical expense data from comparable properties as well as published expense surveys.

Following is an estimate of the subject's expenses.

Real Estate Taxes - are estimated at 1.13115% of the value indicated by the Income Approach for the industrial component plus special assessments of \$630.38 and equate to \$4,646.

Property Insurance - Expense comparables are generally in the range of \$0.15 to \$0.25 per square foot for insurance. Insurance is estimated at \$0.20 per square foot per year or \$359.

Grounds Maintenance - Expense comparables indicate grounds maintenance expenses of \$0 to \$500 per month and vary largely based on the amount of landscaping. The subject does not have much landscaping. Grounds maintenance is estimated at \$50 per month or \$600 per year.

Maintenance & Repairs - Expense comparables indicate a range of \$0.25 to \$0.75 per square foot for maintenance and repairs. A figure of \$0.50 per square foot or \$897 per year is estimated for repairs and maintenance.

Management - A management fee of 3% of the effective gross income is applied for professional property management.

Utilities - under the industrial gross expense basis, the tenant pays for utilities directly to the service provider including gas, electric, water and sewer expenses. As a single tenant building, there are no utility expenses for the owner.

Trash Removal - under the industrial gross expense basis the tenant pays for trash removal directly to the service provider. As a single tenant building, there are no trash removal expenses for the owner.

Legal & Professional Fees - As a single tenant building leased to a single tenant, legal and professional fees are not typically incurred and are not included.

Reserves - For small single tenant industrial properties such as the subject, in most cases it has been found that buyers do not make an allowance for reserves. Reserves were not included in any of the investor sale comparables summarized later in the report and an allowance for reserves will not be made.

Miscellaneous Expenses - an allowance of 0.5% of effective gross income is made for miscellaneous expenses.

The following table summarizes the projected expenses for the subject.

	Projected
Real Estate Taxes	\$4,646
Property Insurance	359
Grounds Maintenance	600
Maintenance & Repairs	897
Management	886
Utilities	0
Trash Removal	0
Legal & Professional	0
Reserves	0
Miscellaneous	148
Total	<u>\$7,535</u>
Per Rentable Square Foot	\$4.20

Projected annual operating expenses for the subject property are \$7,535. That figure equates to \$4.20 per square foot per year or \$0.35 per square foot per month. Lease comparables in the market area have triple net expenses reported at \$0.12 to \$0.30 per square foot and vary primarily due to the tax basis of the property. Properties that have not transferred in many years generally have triple net expenses at the low end of the range while properties that recently transferred have triple net expenses at the high end of the range. Overall, the estimated expenses appear high based on comparison to expense comparables. However, the subject 's real estate taxes are higher than typical due to its very low FAR.

### **RECONSTRUCTED OPERATING STATEMENT**

Having estimated market rent, vacancy and collection loss and operating expenses, a reconstructed operating statement is made to show the effect of these estimates on the income producing capacity of the subject property. Following is the reconstructed operating statement for the subject property.

### RECONSTRUCTED OPERATING STATEMENT

Potential Gross Income	\$30,122
Less Vacancy and Collection Loss (2%)	<u>(602)</u>
Effective Gross Income	\$29,520
Less Operating Expenses	<u>(7,535)</u>
Net Operating Income	\$21,985

### CAPITALIZATION

The final step in the Income Approach is the capitalization of the projected net operating income by a market derived rate. Net operating income divided by the overall capitalization rate equals total property value.

One method of arriving at an overall capitalization rate is undertaken; the direct method of capitalization. In this method, the overall rate is derived from the sales transactions discussed in the Sales Comparison Approach. Since none of the sales indicated a capitalization rate, additional research was conducted to locate investor sales from which to extract capitalization rates. Following is a summary of the most similar investor sales. Capitalization rates extracted from the sales are based on actual income at the time of sale.

SUMMARY OF COMPARABLE INVESTOR SALES

No.	Address	Recording Date	Size (SF)	Office Pct.	Price/SF	R <sub>o</sub>
A	2381 Boswell Road Chula Vista	2/24/17	14,811	40%	\$209.30	6.58%
B	655 Venture Street Escondido	9/28/16	14,322	23%	\$205.98	6.70%
C	11433 Woodside Avenue Santee	8/22/16	22,240	29%	\$101.17	6.00%
D	300 N. Andreasen Dr. Escondido	4/19/16	5,300	10%	\$117.92	7.37%
E	8112-22 Engineer Road San Diego	2/9/16	25,265	30%	\$191.97	6.19%

**Sale A** is located at 2381 Boswell Road in Chula Vista. This property consists of a 14,811 square foot, single tenant, industrial building. The building was approximately 28 years old at the time of sale and in average condition. It is improved with approximately 40% office space. The property sold in February 2017 for \$3,100,000 or \$209.30 per square foot. At the time of sale, it was leased

to a single-tenant and the indicated capitalization rate is 6.58%. The tenant was a local tenant and had just signed a new seven year lease.

**Sale B** is located at 655 Venture Street in Escondido. This is a 14,322 gross square foot, single-tenant industrial building of concrete tilt-up construction. It was approximately 28 years old at the time of sale and in average condition. The property sold in September 2016 for \$2,950,000 or \$205.98 per square foot. The building is improved with approximately 23% office space. It was leased to a single tenant at the time of sale with seven years remaining on the lease and the capitalization rate was 6.70%. The lease rate was above market at the time of sale.

**Sale C** is located at 11433 Woodside Avenue in Santee. This property consists of a 22,240 square foot, single tenant, industrial building. The building unit was approximately 45 years old at the time of sale and in fair to average condition. It is improved with approximately 29% office space. The property sold in August 2016 for \$2,250,000 or \$101.17 per square foot. At the time of sale, it was leased to a single-tenant and the indicated capitalization rate is 6.00%. The lease has approximately three years remaining on the term. The lease rate was below market at the time of sale.

**Sale D** is located at 300 N. Andreasen Drive in Escondido. This property consists of a 5,300 square foot, single tenant, industrial building. The building unit was approximately 22 years old at the time of sale and in fair to average condition. It is improved with approximately 10% office space. The property sold in April 2016 for \$625,000 or \$117.92 per square foot. At the time of sale, it was leased to a single-tenant and the indicated capitalization rate is 7.37%. The lease has approximately two years remaining on the term.

**Sale E** is located at 8112-22 Engineer Road in Kearny Mesa. This is the sale of a single tenant industrial building which contains 25,265 gross square feet. The building was 42 years old at the time of sale and in good condition. It is improved with approximately 30% office space. The property sold in February 2016 for \$4,850,000 or \$191.97 per square foot. This was a sale/leaseback for a ten-year term and the indicated capitalization rate was 6.19%.

The capitalization rates indicated by the comparable investor sales ranged from 6.00% to 7.37%. Sale A indicates a capitalization rate of 6.58% and was leased to a local tenant that had just signed a new seven-year lease. A rate close to the indicator of Sale A is appropriate for the subject. Sale B is located in Escondido and indicated a capitalization rate of 6.70%. The lease rate was well above market at the time of sale. Because the lease rate was above market, a rate lower than indicated by



Sale B would be expected for the subject. Sale C indicates the low end of the range at 6.0%, likely due to the fact that the lease rate was well below market at the time of sale. A rate higher than indicated by Sale C would be expected for the subject. Sale D indicated the high end of the range, but only had two years remaining on the lease. Therefore, a rate lower than indicated by Sale D would be expected for the subject. Sale E indicates a rate at the lower end of the range and has a superior location with a ten-year remaining lease. A rate higher than indicated by Sale E would be expected for the subject.

A final factor taken into consideration is the fact that the buyers of the investor sales did not utilize a vacancy and collection loss factor, while the NOI projected for the subject includes a 2.0% vacancy and collection loss factor. The sales' capitalization rates would be about 15 to 20 basis points lower if a 2.0% vacancy and collection loss factor was utilized. Based on analysis of the comparable sales, a capitalization rate of 6.25% is adopted for the analysis.

#### **Conclusion of Stabilized Value by the Income Approach**

The value indication by the Income Approach is derived by dividing the estimated net operating income by the overall capitalization rate selected above. The computation is:

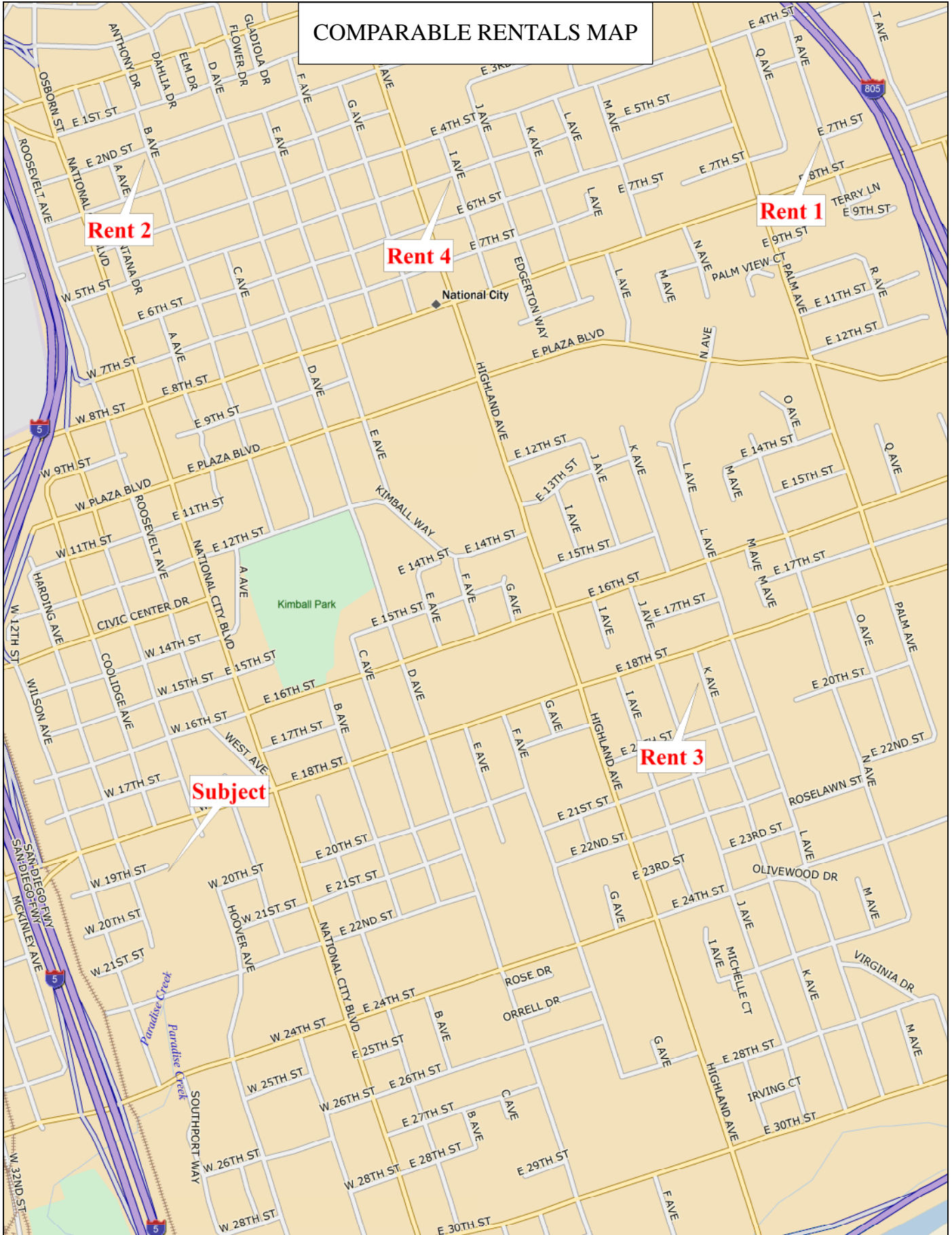
$$\$21,985 \div 0.0625 = \$351,756$$

Rounded to: \$350,000

#### **Residential**

A rental survey was undertaken within the subject's market area to help estimate potential gross income for the residential portion of the subject. Four comparable rentals were located which were utilized to help estimate the subject's market rent. Following is a location map and summary table of the comparable data. Photographs and data sheets for each comparable are in the Addenda.

# COMPARABLE RENTALS MAP



Data use subject to license.

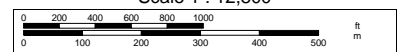
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Scale 1 : 12,800



1" = 1,066.7 ft Data Zoom 14-0

## COMPARABLE RENTAL SURVEY

No.	Location	No. Of Units	Unit Type	Unit Size(SF)	Overall % Occupancy	Rent/Mo.	Rent per SF/Month
1	Unnamed 702 R Avenue, National City	12	2Br/1Ba	910	92%	\$1,400	\$1.54
2	Unnamed 214-220 B Avenue, National City	4	2Br/1Ba	900	100%	\$1,550	\$1.72
3	Unnamed 1834 K Avenue, National City	3	2Br/1Ba 2Br/2Ba 3Br/2Ba	850 900 1,050	100%	\$1,400 \$1,550 \$1,800	\$1.65 \$1.72 \$1.71
4	Unnamed 504 I Avenue, National City	5	1Br/1Ba 2Br/1Ba 4Br/1.5	600 800 1,200	100%	\$1,150 \$1,250 \$1,950	\$1.92 \$1.56 \$1.63

The rents shown above are nominal rents. However, none of the comparables included concessions so the nominal rents are equal to the effective rental rates. Following is a discussion of appropriate adjustments to be made for the differing characteristics of the properties. Adjustments are primarily subjective.

### Concessions

None of the comparable rentals offered free rent or move-in specials. No adjustments are necessary for concessions.

### Location

The subject units are located on West 19<sup>th</sup> Street in National City. The comparables are all located in National City and do not require location adjustments.

### Utilities

For appraisal purposes, it is assumed that the subject tenants pay for electric, cable and telephone and the landlord pays all other utilities. Rentals 1, 2 and 4 require the tenants to pay electric, cable telephone. No adjustments are required for utilities for those three comparables. At Rental 3, the tenant pays for all utilities including water, sewer and trash. An upward adjustment of \$35 per month is applied to that comparable for utilities.

### Unit Size

Unit size adjustments are made for differences in excess of 25 square feet. An adjustment factor of \$0.30 per square foot is utilized in deriving the size adjustments.

### **Age/Condition**

The subject units were built in 1958 and were in average condition at the date of value. The rent comparables ranged in age from 39 years to 72 years and each was reported to be in average condition except for Rental 2. While Rentals 1, 3 and 4 vary substantially in age, each comparable has had some remodeling to keep the unit in a typical rent ready condition. No adjustments will be applied for age/condition for those three comparables. Rental 2 was substantially remodeled and has quartz kitchen counters, new flooring, new cabinetry and ceramic tile bathroom finishes. It is adjusted downward by \$150 per month for its superior remodeled condition.

### **Parking**

Parking at the subject consists of one open space per unit. Rentals 1, 2 and 4 have one open space per unit and do not require adjustments for parking. Rental 3 does not have any on-site parking, but there is sufficient parking on the street in front of the property. A adjustment for parking will not be made for Rental 3.

### **Unit Amenities**

The subject has average quality unit amenities. The kitchens have wood cabinets, formica counters and average quality appliances including refrigerator and range/oven. Flooring is sheet vinyl. Bathrooms have fiberglass tub/showers and cultured marble sinks/counters.

Rentals 1, 3 and 4 are rated similar to the subject in terms of unit amenities and do not require adjustments for this category. Rental 2 has similar amenities, but had been substantially remodeled with superior quality counters, flooring, and bathroom finishes. However, that was already accounted for in the age/condition adjustment.

Following is the adjustment chart which summarizes the applicable adjustments to the comparables for the subject units.

COMPARABLE RENTALS ADJUSTMENT CHART

Rent No.	1	2	3	4
Rental Rate	\$1,400	\$1,550	\$1,400	\$1,250
Concessions	\$0	\$0	\$0	\$0
Location	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$35	\$0
Unit Size	(\$26)	(\$24)	(\$11)	\$0
Age/Condition	\$0	(\$150)	\$0	\$0
Parking	\$0	\$0	\$0	\$0
Unit Amenities	\$0	\$0	\$0	\$0
Total Adjustment	(\$26)	(\$174)	\$24	\$0
Adjusted Rent	\$1,374	\$1,376	\$1,424	\$1,250

The comparables indicate a range of \$1,250 to \$1,424 per month for the subject. Rentals 1 and 2 indicates rates for \$1,374 to \$1,376 per month. Rental 3 indicates a slightly higher rate at \$1,424 per month, while Rental 4 indicates the low end of the range at \$1,250 per month.

Typically, the rental rates at the subject would be considered in the analysis, but the owner did not provide a rent roll. Market rent for the subject units is estimated at \$1,375 per month.

Following is the estimation of the potential gross annual income for the subject residential units:

No. Of Units	Market Rent	Annual Rent
2	\$1,375	x 12 = \$33,000

The value of the residential units by the Income Approach is derived utilizing a Gross Income Multiplier (GIM), which is the most commonly utilized indicator by investors of small residential income properties. The four residential sales utilized in the Sales Comparison Approach indicated GIMs as shown in the following table.



Sale No.	Recording Date	GIM
6	5/12/17	13.72
7	7/2/14	14.45
8	2/13/14	12.80
9	1/24/14	14.67

The four sales indicated GIMs ranging between 12.80 and 14.67. Sale 6 indicates a GIM near the middle of the range. Sales 7 and 9 indicate GIMs at the high end of the range at 14.45 to 14.67, while Sale 8 indicates a GIM at the low end of the range at 12.80. In addition to the four comparable sales utilized in the Sales Comparison Approach, several additional two-to-four unit property sales in National City were analyzed for their GIM indicators. A total of eleven sales in the last year of two-to-four unit properties in National City were analyzed. Those sales indicated GIMs ranging between 12.50 and 16.67 with an average GIM of 14.11. Based on analysis of the sales, a GIM of 14.25 is concluded for the subject.

#### Conclusion of Value

The stabilized fee simple value indication by the Income Approach now becomes a simple matter of multiplying the estimated gross income by the GIM selected above. The computation is:

$$\$33,000 \times 14.25 = \$470,250$$

Rounded to: \$470,000

The value indicated for the industrial portion of the subject by the Income Approach was estimated at \$350,000, while the value indicated for the residential portion of the of the subject by the Income Approach was estimated at \$470,000. The value for the entire property is estimated by adding the value of the industrial portion with the value of the residential portion which indicates a total value for the property at \$820,000 by the Income Approach.

#### **Value Indicated by the Income Approach - \$820,000**

## RECONCILIATION

Reconciliation is the final step in the appraisal. The valuation process is reviewed and the strengths and weakness of the indications of value from each approach are considered. It culminates in the final estimate of market value. The reconciliation analysis is based on three criteria: the appropriateness, accuracy and quantity of evidence.

Two approaches to value were used: the Sales Comparison Approach and the Income Approach. The two approaches yielded the following indications of the “as is” fair market value of the fee simple interest:

**Sales Comparison Approach:     \$835,000**

**Income Approach:                     \$820,000**

### **Sales Comparison Approach**

The Sales Comparison Approach is appropriate because this is the approach used by most buyers in the owner/user market. Since the subject is rented to three tenants, and is a mixed-use property, an owner is not a likely buyer of the property.

The accuracy of the Sales Comparison Approach is believed to be fairly high as the adjustments applied in the price per square foot and price per unit analyses were market supported. The quality and quantity of data used in the price per square foot and price per unit analyses is good and the estimate of value is reliable.

### **Income Approach**

The Income Approach is most appropriate for income producing property. The accuracy of the Income Approach is good. The estimated market lease rates were supported by comparables in the subject’s district and the vacancy and collection loss factor and operating expenses were well supported. Additionally, there were sufficient investor sales to support a capitalization rate and gross income multiplier.

An investor is the most likely buyer of the property and investors typically rely on the Income Approach more than the Sales Comparison Approach. For that reason more weight is given to the Income Approach than the Sales Comparison Approach.

Based on the preceding analysis, it is concluded that “as is” fair market value of the fee simple interest as of September 19, 2017, was:

**EIGHT HUNDRED TWENTY-FIVE THOUSAND DOLLARS**

**\$825,000**

## EXPOSURE AND MARKETING TIME

Exposure time is defined as follows:

“The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market”.<sup>5</sup>

The best support for estimating an appropriate exposure time for the subject is to examine the marketing times of the comparable sales. Brokers reported that the comparable sales were sold in marketing times ranging from nine days to seven months. The residential duplex sales had quick marketing times at nine days to 43 days. Most brokers reported there is good demand for industrial buildings and residential duplexes in the subject’s market area. However, the fact that the subject is mixed-use property would make it more difficult to sell and a longer marketing time would be expected for the subject than any of the sales. Based on marketing times of the comparable sales and also considering input from brokers active in the market, it is estimated that a reasonable exposure time for the subject property is nine months.

**Marketing time** is the amount of time that it would take to achieve a sale, assuming the property were to be placed on the market immediately. Since interest in properties is about the same as when the comparable sales took place, it is reasoned that the marketing time would be the same as the exposure time. A reasonable estimate of marketing time is nine months, provided the building is priced competitively.

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<sup>5</sup> USPAP 2016-17 Edition, The Appraisal Foundation

## **ADDENDA**



## APPRAISER'S CERTIFICATION

I hereby certify that to the best of my knowledge and belief:

1. The statements of fact contained in the report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent on the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the report.
7. The reported analyses, opinions and conclusions were developed, and the report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
8. The reported analyses, opinions and conclusions were developed, and the report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. The use of the report is subject to the requirements of the Appraisal Institute regarding review by its duly authorized representatives.
10. I have made a personal inspection of the property that is a subject of this report, and of the comparable sales data.
11. No one provided significant real property appraisal assistance to the person signing this certification.
12. This is a "certified" appraisal, under California state law.
13. This appraisal was not based on a requested minimum valuation, a specific valuation or the approval of a loan.
14. As of the date of this report, Brad C. Woodall has completed the requirements under the continuing education program of the Appraisal Institute for designated members.
15. Only a complete original copy of this report should be relied upon. Any copy of this report which is not entirely in this form is not an original and therefore should not be considered or used as a "valid" report; nor will the appraiser(s) accept any liability or responsibility for the use or reliance of such unauthorized copy.
16. I have performed no services as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.



Brad C. Woodall, MAI  
CA Certification No. AG015729  
Expiration date 2/12/19

## COMPARABLE IMPROVED INDUSTRIAL SALE PHOTOGRAPHS



IMPROVED SALE COMPARABLE NO. 1



IMPROVED SALE COMPARABLE NO. 2



IMPROVED SALE COMPARABLE NO. 3



IMPROVED SALE COMPARABLE NO. 4



IMPROVED SALE COMPARABLE NO. 5

**COMPARABLE IMPROVED SALE NO. 1**

**LOCATION:** 1200 Harbor Drive, National City  
**THOMAS BROS. MAP PAGE:** 1309 G-2  
**ASSESSOR'S PARCEL NO.:** 559-010-08  
**BUYER:** FC Holdings, LP  
**SELLER:** Robert Patterson  
**SALE PRICE:** \$970,000  
**FINANCING:** \$97,000 (10%) down; 1<sup>st</sup> TD loan of \$535,000 and 2<sup>nd</sup> TD loan of \$428,000 from JP Morgan Chase Bank.  
**RECORDED:** March 8, 2017  
**DOCUMENT NO.:** 17-0106490  
**IMPROVEMENT DESCRIPTION:** A one-story metal industrial building which contains 6,485 gross square feet. The building was in fair to average condition at the time of sale. The buyer planned to remodel the improvements at a cost of \$110,000.

Age	Office	Clear	Power	Doors
50+ Years	15%	18'	200 amp	6 grade 0 dock

**INTEREST TRANSFERRED:** Fee Simple  
**LAND AREA:** 14,104 SF  
**FLOOR AREA RATIO:** 0.46  
**ZONING:** IMCZ (Industrial)  
**PARKING:** 6 spaces; 0.93 spaces per 1,000 SF  
**INCOME AND INDICATORS:**

Potential Gross Income:	N/Ap. (Owner/user)
Vacancy & Collection Loss:	<u>N/Ap.</u>
Effective Gross Income:	N/Ap.
Operating Expenses:	<u>N/Ap.</u>
Net Operating Income:	N/Ap.
Sale Price per Square Foot:	\$149.58
Gross Income Multiplier	N/Ap.
Overall Capitalization Rate:	N/Ap.
Expenses per Square Foot:	N/Ap.
Expenses as % of EGI:	N/Ap.
<b>SOURCE:</b>	Chris Holder, listing broker

**COMPARABLE IMPROVED SALE NO. 2**

**LOCATION:** 1840 Wilson Avenue, National City  
**THOMAS BROS. MAP PAGE:** 1309 H-3  
**ASSESSOR'S PARCEL NO.:** 559-101-02  
**BUYER:** Paul Corriere, LP  
**SELLER:** Horn Family Trust  
**SALE PRICE:** \$785,000  
**FINANCING:** All cash  
**RECORDED:** October 14, 2016  
**DOCUMENT NO.:** 16-0552934  
**IMPROVEMENT DESCRIPTION:** A one-story concrete block industrial building containing 4,664 gross square feet. It was in average condition at the time of sale with no deferred maintenance.

Age	Office	Clear	Power	Doors
39 Years	7%	18'	200 amp	2 grade 0 dock

**INTEREST TRANSFERRED:** Fee Simple  
**LAND AREA:** 6,730 SF  
**FLOOR AREA RATIO:** 0.69  
**ZONING:** CL in Westside Specific Plan  
**PARKING:** 5                      1.07 spaces per 1,000 SF  
**INCOME AND INDICATORS:**

Potential Gross Income:	N/Ap. (Owner/user)
Vacancy & Collection Loss:	<u>N/Ap.</u>
Effective Gross Income:	N/Ap.
Operating Expenses:	<u>N/Ap.</u>
Net Operating Income:	N/Ap.
Sale Price per Square Foot:	\$168.31
Gross Income Multiplier	N/Ap.
Overall Capitalization Rate:	N/Ap.
Expenses per Square Foot:	N/Ap.
Expenses as % of EGI:	N/Ap.
<b>SOURCE:</b>	Eric Wiese, listing broker

**COMPARABLE IMPROVED SALE NO. 3**

**LOCATION:** 1640 Coolidge Avenue, National City  
**THOMAS BROS. MAP PAGE:** 1309 H-2  
**ASSESSOR'S PARCEL NO.:** 559-083-06  
**BUYER:** Brasseur Family Trust  
**SELLER:** Cordov Trust  
**SALE PRICE:** \$437,000  
**FINANCING:** \$43,700 (10%); 1<sup>st</sup> TD loan of \$218,500 and 2<sup>nd</sup> TD loan of \$174,800 from JP Morgan Chase Bank.  
**RECORDED:** May 26, 2016  
**DOCUMENT NO.:** 16-0258985  
**IMPROVEMENT DESCRIPTION:** A one-story metal industrial building containing 2,700 square feet. It was in average condition at the time of sale with the exception of approximately \$3,000 in deferred maintenance.

Age	Office	Clear	Power	Doors
43 Years	19%	12'	200 amp	1 grade 0 dock

**INTEREST TRANSFERRED:** Fee Simple  
**LAND AREA:** 5,663 SF  
**FLOOR AREA RATIO:** 0.48  
**ZONING:** Residential in Westside Specific Plan  
**PARKING:** 2                      0.74    spaces per 1,000 SF  
**INCOME AND INDICATORS:**

Potential Gross Income:	N/Ap. (Owner/user)
Vacancy & Collection Loss:	<u>N/Ap.</u>
Effective Gross Income:	N/Ap.
Operating Expenses:	<u>N/Ap.</u>
Net Operating Income:	N/Ap.
Sale Price per Square Foot:	\$161.85
Gross Income Multiplier	N/Ap.
Overall Capitalization Rate:	N/Ap.
Expenses per Square Foot:	N/Ap.
Expenses as % of EGI:	N/Ap.
<b>SOURCE:</b>	Cody Evans, listing broker



**COMPARABLE IMPROVED SALE NO. 4**

**LOCATION:** 221 West 33<sup>rd</sup> Street, National City  
**THOMAS BROS. MAP PAGE:** 1309 J-4  
**ASSESSOR'S PARCEL NO.:** 562-330-40  
**BUYER:** West 33<sup>rd</sup> Street, LLC  
**SELLER:** West Family Trust  
**SALE PRICE:** \$1,344,000  
**FINANCING:** \$201,600 (15%); 1<sup>st</sup> TD loan of \$1,142,400 from Wells Fargo Bank.  
**RECORDED:** February 26, 2016  
**DOCUMENT NO.:** 16-0084769  
**IMPROVEMENT DESCRIPTION:** A one-story concrete block industrial building containing 8,400 square feet. It was in average condition at the time of sale with no reported deferred maintenance.

Age	Office	Clear	Power	Doors
46 Years	15%	18'	1,200 amp	2 grade 0 dock

**INTEREST TRANSFERRED:** Fee Simple  
**LAND AREA:** 16,988 SF  
**FLOOR AREA RATIO:** 0.49  
**ZONING:** ML-CZ (Industrial)  
**PARKING:** 15                      1.79 spaces per 1,000 SF  
**INCOME AND INDICATORS:**

Potential Gross Income:	N/Ap.
Vacancy & Collection Loss:	<u>N/Ap.</u>
Gross Income:	N/Ap.
Operating Expenses:	<u>N/Ap.</u>
Net Operating Income:	N/Ap.
Sale Price per Square Foot:	\$160.00
Effective Gross Income Multiplier	N/Ap.
Overall Capitalization Rate:	N/Ap.
Expenses per Square Foot:	N/Ap.
Expenses as % of EGI:	N/Ap.
<b>SOURCE:</b>	Nick Price, selling broker

**COMPARABLE IMPROVED SALE NO. 5**

**LOCATION:** 225-231 West 16<sup>th</sup> Street, National City  
**THOMAS BROS. MAP PAGE:** 1309 H-2  
**ASSESSOR'S PARCEL NO.:** 560-066-21  
**BUYER:** Zhongsheng Chen  
**SELLER:** Jeff & Adaline Kangas  
**SALE PRICE:** \$709,000  
**FINANCING:** \$522,000 (25%) down; 1<sup>st</sup> TD loan of \$2,096,000 from Bank of America.  
**RECORDED:** June 17, 2015  
**DOCUMENT NO.:** 15-0312032  
**IMPROVEMENT DESCRIPTION:** A one-story concrete block industrial building which contains 5,275 gross square feet. The building was in average condition at the time of sale with no reported deferred maintenance.

Age	Office	Clear	Power	Doors
24 Years	10%	18'	200 amp	2 grade 0 dock

**INTEREST TRANSFERRED:** Fee Simple  
**LAND AREA:** 8,847 SF  
**FLOOR AREA RATIO:** 0.60  
**ZONING:** Residential in Westside Specific Plan  
**PARKING:** 6 spaces; 1.14 spaces per 1,000 SF  
**INCOME AND INDICATORS:**

Potential Gross Income:	N/Ap. (Owner/user)
Vacancy & Collection Loss:	N/Ap.
Gross Income:	N/Ap.
Operating Expenses:	N/Ap.
Net Operating Income:	N/Ap.
Sale Price per Square Foot:	\$134.41
Effective Gross Income Multiplier	N/Ap.
Overall Capitalization Rate:	N/Ap.
Expenses per Square Foot:	N/Ap.
Expenses as % of EGI:	N/Ap.
<b>SOURCE:</b>	Nick Price, listing broker

## COMPARABLE IMPROVED RESIDENTIAL SALE PHOTOGRAPHS



IMPROVED SALE COMPARABLE NO. 6



IMPROVED SALE COMPARABLE NO. 7



IMPROVED SALE COMPARABLE NO. 8



IMPROVED SALE COMPARABLE NO. 9

**COMPARABLE IMPROVED SALE NO. 6**

**LOCATION:** 445 M Avenue, National City  
**THOMAS BROS. MAP PAGE:** 1289 J-7  
**ASSESSOR'S PARCEL NO.:** 557-012-11  
**BUYER:** Raymond Smalley  
**SELLER:** 445 M, LLC  
**SALE PRICE:** \$485,000  
**FINANCING:** \$97,000 down (20%); First Trust Deed loan of \$388,000 from Franklin Loan Center.  
  
**RECORDED:** May 12, 2017  
**DOCUMENT NO.:** 17-0213727  
**IMPROVEMENT DESCRIPTION:** A one-story wood frame and stucco building which contains 1,643 rentable square feet. The building was built in 1958 and was in average condition at the time of sale.  
  
**NO. OF UNITS** 2  
**UNIT MIX**

Studios	1Br/1Ba	2Br/1 Ba	3Br/2Ba
0	1	0	1

  
**INTEREST TRANSFERRED:** Fee Simple  
**LAND AREA:** 6,360 SF  
**DENSITY (UNITS/SF):** 3,180  
**ZONING:** Residential  
**PARKING:** 4 spaces; 2.00 spaces per unit  
**INCOME AND INDICATORS:**

Potential Gross Income:	\$35,340	Actual Income
Sale Price per Unit:	\$242,500	
Sale Price per Square Foot:	\$295.19	
Gross Income Multiplier	13.72	

  
**SOURCE:** Emily Self, listing broker

**COMPARABLE IMPROVED SALE NO. 7**

**LOCATION:** 918-20 East 16<sup>th</sup> Street, National City  
**THOMAS BROS. MAP PAGE:** 1309 J-2  
**ASSESSOR'S PARCEL NO.:** 561-030-31  
**BUYER:** Mark Collins  
**SELLER:** Kutzke Trust  
**SALE PRICE:** \$490,000  
**FINANCING:** All cash  
**RECORDED:** May 9, 2017  
**DOCUMENT NO.:** 17-0207914  
**IMPROVEMENT DESCRIPTION:** Two one-story wood frame and stucco buildings which contain 1,632 rentable square feet. The buildings were built in 1947 and were in good condition at the time of sale.

<b>NO. OF UNITS</b>	2								
<b>UNIT MIX</b>	<table> <tr> <th>Studios</th> <th>1Br/1Ba</th> <th>2Br/1 Ba</th> <th>3Br/2Ba</th> </tr> <tr> <td>0</td> <td>1</td> <td>0</td> <td>1</td> </tr> </table>	Studios	1Br/1Ba	2Br/1 Ba	3Br/2Ba	0	1	0	1
Studios	1Br/1Ba	2Br/1 Ba	3Br/2Ba						
0	1	0	1						

**INTEREST TRANSFERRED:** Fee Simple  
**LAND AREA:** 5,309 SF  
**DENSITY (UNITS/SF):** 2,655  
**ZONING:** Residential  
**PARKING:** 3 spaces; 1.50 spaces per unit  
**INCOME AND INDICATORS:**

Potential Gross Income:	\$33,900	Actual Income
Sale Price per Unit:	\$245,000	
Sale Price per Square Foot:	\$300.25	
Gross Income Multiplier	14.45	

**SOURCE:** David Andrews, selling broker



**COMPARABLE IMPROVED SALE NO. 8**

**LOCATION:** 2004 I Avenue, National City  
**THOMAS BROS. MAP PAGE:** 1309 J-2  
**ASSESSOR'S PARCEL NO.:** 561-271-09  
**BUYER:** Mark Gawlik  
**SELLER:** Elias & Arauz Rodriguez  
**SALE PRICE:** \$430,000  
**FINANCING:** \$86,000 down (20%); First Trust Deed loan of \$388,000 from Home Point Financial.  
  
**RECORDED:** April 19, 2017  
**DOCUMENT NO.:** 17-0175821  
**IMPROVEMENT DESCRIPTION:** Two one-story wood frame and stucco buildings which contain 1,324 rentable square feet. The buildings were built in 1950's and were in average condition at the time of sale.  
  
**NO. OF UNITS** 2  
**UNIT MIX**

Studios	1Br/1Ba	2Br/1 Ba	3Br/2Ba
0	0	2	0

  
**INTEREST TRANSFERRED:** Fee Simple  
**LAND AREA:** 4,158 SF  
**DENSITY (UNITS/SF):** 2,079  
**ZONING:** Residential  
**PARKING:** 2 spaces; 1.00 spaces per unit  
**INCOME AND INDICATORS:**

Potential Gross Income:	\$33,600	Actual Income
Sale Price per Unit:	\$215,000	
Sale Price per Square Foot:	\$324.77	
Gross Income Multiplier	12.80	

  
**SOURCE:** Iassac Cardona, listing broker

**COMPARABLE IMPROVED SALE NO. 9**

**LOCATION:** 1805 C Avenue, National City  
**THOMAS BROS. MAP PAGE:** 1309 J-2  
**ASSESSOR'S PARCEL NO.:** 560-222-25  
**BUYER:** Rosa & Yee Rodriquez  
**SELLER:** Alejandro Lopez  
**SALE PRICE:** \$440,000  
**FINANCING:** \$130,000 down (30%); First Trust Deed loan of \$310,000 from First Bank.  
  
**RECORDED:** October 20, 2016  
**DOCUMENT NO.:** 16-0567610  
**IMPROVEMENT DESCRIPTION:** Two one-story wood frame and stucco buildings which contain 1,401 rentable square feet. The buildings were built in 1950 and were in average condition at the time of sale.  
  
**NO. OF UNITS** 2  
**UNIT MIX**

Studios	1Br/1Ba	2Br/1 Ba	3Br/1Ba
0	1	0	1

  
**INTEREST TRANSFERRED:** Fee Simple  
**LAND AREA:** 5,988 SF  
**DENSITY (UNITS/SF):** 2,994  
**ZONING:** Residential  
**PARKING:** 0 spaces; 0.00 spaces per unit  
**INCOME AND INDICATORS:**

Potential Gross Income:	\$30,000	Actual Income
Sale Price per Unit:	\$220,000	
Sale Price per Square Foot:	\$314.06	
Gross Income Multiplier	14.67	

  
**SOURCE:** Pedro Espinoza, selling broker

## INDUSTRIAL LEASE COMPARABLE PHOTOGRAPHS



COMPARABLE LEASE NO. 1



COMPARABLE LEASE NO. 2



COMPARABLE LEASE NO. 3



COMPARABLE LEASE NO. 4

**LEASE COMPARABLE NO. 1**

**LOCATION:** 1640 Hoover Avenue, Suite A, National City  
**THOMAS BROS. MAP PAGE:** 1309 H-2  
**LESSEE:** National Mechanical Services  
**LESSOR:** Alton Beauchamp  
**DATE SIGNED:** 3/17  
**LEASE TERM:** 24 months  
**BASE RENT/SF/MO. :** \$0.95  
**INCREASES:** Fixed 3.0% per year  
**CONCESSIONS:** None  
**1<sup>ST</sup> YEAR EFFECTIVE RENT:** \$0.94  
**TI ALLOWANCE (\$/SF):** \$0.00  
**EXPENSE BASIS:** Industrial Gross

Who Pays:	Lessor	Lessee
Property Taxes	(x)	( )
Fire Insurance	(x)	( )
Utilities	( )	(x)
Repairs and maintenance		
Exterior	(x)	( )
Interior	( )	(x)

**TRIPLE NET EXPENSES:** \$0.00  
**SUITE SIZE (SF):** 4,000  
**BUILDING DESCRIPTION:** An 8,000 square foot, two-tenant, concrete block industrial building of average quality and condition.

Age	Office	Clear	Power	Doors
37 years	0%	18'	400 amps	2 grade 0 dock

**PARKING RATIO (spaces per 1,000 SF of building area):** 1.0  
**SOURCE:** Phil Emery, leasing broker

**LEASE COMPARABLE NO. 2**

**LOCATION:** 901 Coolidge Avenue, National City  
**THOMAS BROS. MAP PAGE:** 1309 J-4  
**LESSEE:** Samantha Ward & Mickey Jogleff  
**LESSOR:** Abraham & Melba Cunanan  
**DATE SIGNED:** 2/17  
**LEASE TERM:** 60 months  
**BASE RENT/SF/MO. :** \$0.91  
**INCREASES:** Fixed 3.0% per year  
**CONCESSIONS:** One month free  
**1<sup>ST</sup> YEAR EFFECTIVE RENT:** \$0.89  
**TI ALLOWANCE (\$/SF):** \$0.00  
**EXPENSE BASIS:** Industrial Gross

Who Pays:	Lessor	Lessee
Property Taxes	(x)	( )
Fire Insurance	(x)	( )
Utilities	( )	(x)
Repairs and maintenance		
Exterior	(x)	( )
Interior	( )	(x)

**TRIPLE NET EXPENSES:** \$0.00  
**BUILDING SIZE (SF):** 4,300  
**BUILDING DESCRIPTION:** A 4,300 square foot, single-tenant, concrete block industrial building of average quality and condition.

Age	Office	Clear	Power	Doors
40 years	10%	16'	400 amps	1 grade 0 dock

**PARKING RATIO (spaces per 1,000 SF of building area):** 1.0  
**SOURCE:** Mark Lewkowitz, leasing broker



**LEASE COMPARABLE NO. 3****LOCATION:** 1706 Hoover Avenue, National City**THOMAS BROS. MAP PAGE:** 1309 H-2**LESSEE:** Charter Communications**LESSOR:** West Family Trust**DATE SIGNED:** 11/16**LEASE TERM:** 36 months**BASE RENT/SF/MO. :** \$1.00**INCREASES:** Fixed 3.0% per year**CONCESSIONS:** None**1<sup>ST</sup> YEAR EFFECTIVE RENT:** \$1.00**TI ALLOWANCE (\$/SF):** \$0.00**EXPENSE BASIS:** Industrial Gross

Who Pays:	Lessor	Lessee
Property Taxes	(x)	( )
Fire Insurance	(x)	( )
Utilities	( )	(x)
Repairs and maintenance		
Exterior	(x)	( )
Interior	( )	(x)

**TRIPLE NET EXPENSES:** \$0.00**BUILDING SIZE (SF):** 4,000**BUILDING DESCRIPTION:** A 4,000 square foot, single-tenant, metal industrial building of average quality and condition.

Age	Office	Clear	Power	Doors
33 years	20%	14'	200 amps	3 grade 0 dock

**PARKING RATIO (spaces per 1,000 SF of building area):** 1.0**SOURCE:** Nick Price, leasing broker

**LEASE COMPARABLE NO. 4**

**LOCATION:** 221 West 33<sup>rd</sup> Street, National City  
**THOMAS BROS. MAP PAGE:** 1309 J-4  
**LESSEE:** Trans Cold Distribution  
**LESSOR:** West 33<sup>rd</sup> Street, LLC  
**DATE SIGNED:** 3/16  
**LEASE TERM:** 60 months  
**BASE RENT/SF/MO. :** \$0.98  
**INCREASES:** Fixed 3.0% per year  
**CONCESSIONS:** None  
**1<sup>ST</sup> YEAR EFFECTIVE RENT:** \$0.98  
**TI ALLOWANCE (\$/SF):** \$0.00  
**EXPENSE BASIS:** Industrial Gross

Who Pays:	Lessor	Lessee
Property Taxes	(x)	( )
Fire Insurance	(x)	( )
Utilities	( )	(x)
Repairs and maintenance		
Exterior	(x)	( )
Interior	( )	(x)

**TRIPLE NET EXPENSES:** \$0.00  
**BUILDING SIZE (SF):** 8,400  
**BUILDING DESCRIPTION:** An 8,400 square foot, single-tenant, concrete block industrial building of average quality and condition.

Age	Office	Clear	Power	Doors
46 years	15%	18'	1,200 amps	2 grade 0 dock

**PARKING RATIO (spaces per 1,000 SF of building area):** 1.8  
**SOURCE:** Evan McDonald, leasing broker

## COMPARABLE RESIDENTIAL RENTAL PHOTOGRAPHS



COMPARABLE RENTAL NO. 1



COMPARABLE RENTAL NO. 2



COMPARABLE RENTAL NO. 3



COMPARABLE RENTAL NO. 4

**COMPARABLE RENTAL NO. 1**

<b>NAME:</b>	Unnamed		
<b>LOCATION:</b>	702 R Avenue, National City		
<b>THOMAS BROS. MAP PAGE:</b>	1028 E-4		
<b>IMPROVEMENT DESCRIPTION:</b>	A one-story, wood frame and stucco apartment building with a sloping composition shingle roof. The complex is 39 years old.		
<b>NO. OF UNITS:</b>	12		
<b>UNIT MIX:</b>	1Br/1Ba	2Br/1Ba	3Br/1.5Ba
<b>NO.:</b>	12		
<b>RENTAL RATES PER MO.:</b>	\$1,400		
<b>UNIT SIZE (SF):</b>	910		
<b>RENT/SF:</b>	\$1.54		
<b>VACANCY BY UNIT TYPE:</b>	1		
<b>OVERALL OCCUPANCY:</b>	92%		
<b>CONCESSIONS:</b>	None		
<b>UTILITIES:</b>	The landlord pays for gas, water, sewer and trash. The tenant pays for telephone, cable and electricity.		
<b>ON-SITE PARKING:</b>	One open space per unit		
<b>UNIT AMENITIES:</b>	All units have refrigerators, range/ovens and garbage disposals.		
<b>HVAC:</b>	Central heat		
<b>COMPLEX AMENITIES:</b>	Common laundry		
<b>SOURCE:</b>	Property Manager		

**COMPARABLE RENTAL NO. 2**

<b>NAME:</b>	Unnamed		
<b>LOCATION:</b>	214-220 B Avenue, National City		
<b>THOMAS BROS. MAP PAGE:</b>	1027 F-2		
<b>IMPROVEMENT DESCRIPTION:</b>	A two-story, wood frame and stucco apartment building with a sloping composition shingle roof. The building is approximately 60 years old.		
<b>NO. OF UNITS:</b>	4		
<b>UNIT MIX:</b>	1Br/1Ba	2Br/1Ba	3Br/2Ba
<b>NO.:</b>	4		
<b>RENTAL RATES PER MO.:</b>	\$1,550		
<b>UNIT SIZE (SF):</b>	900		
<b>RENT/SF:</b>	\$1.72		
<b>VACANCY BY UNIT TYPE:</b>	0		
<b>OVERALL OCCUPANCY:</b>	100%		
<b>CONCESSIONS:</b>	None		
<b>UTILITIES:</b>	The landlord pays for gas, water, sewer and trash. The tenant pays for telephone, cable and electricity.		
<b>ON-SITE PARKING:</b>	One open space per unit		
<b>UNIT AMENITIES:</b>	All units have refrigerators, range/ovens and garbage disposals.		
<b>HVAC:</b>	Central heat		
<b>COMPLEX AMENITIES:</b>	Common laundry		
<b>SOURCE:</b>	Property Manager		



**COMPARABLE RENTAL NO. 3**

<b>NAME:</b>	Unnamed		
<b>LOCATION:</b>	1834 K Avenue, National City		
<b>THOMAS BROS. MAP PAGE:</b>	1027 F-2		
<b>IMPROVEMENT DESCRIPTION:</b>	A one and two-story, wood frame and stucco apartment building with a sloping composition shingle roof. The building is 72 years old.		
<b>NO. OF UNITS:</b>	3		
<b>UNIT MIX:</b>	2Br/1Ba	2Br/2Ba	3Br/2Ba
<b>NO.:</b>	1	1	1
<b>RENTAL RATES PER MO.:</b>	\$1,400	\$1,550	\$1,800
<b>UNIT SIZE (SF):</b>	850	900	1050
<b>RENT/SF:</b>	\$1.65	\$1.72	\$1.71
<b>VACANCY BY UNIT TYPE:</b>	0	0	0
<b>OVERALL OCCUPANCY:</b>	100%		
<b>CONCESSIONS:</b>	None		
<b>UTILITIES:</b>	The tenant pays all utilities including water, sewer, gas, electric and trash.		
<b>ON-SITE PARKING:</b>	None		
<b>UNIT AMENITIES:</b>	All units have refrigerators, range/ovens and garbage disposals.		
<b>HVAC:</b>	Central heat		
<b>COMPLEX AMENITIES:</b>	Common laundry		
<b>SOURCE:</b>	Property Manager		

**COMPARABLE RENTAL NO. 4**

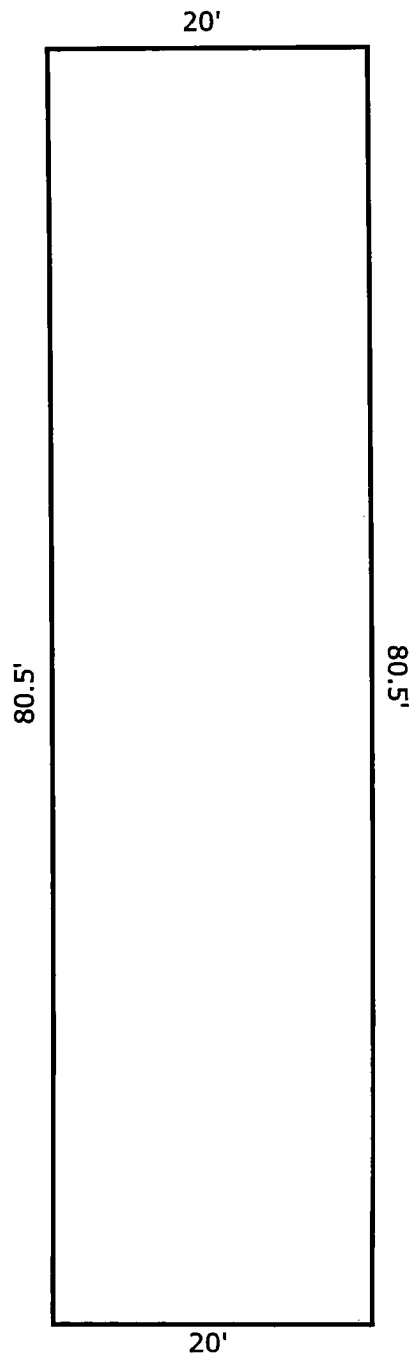
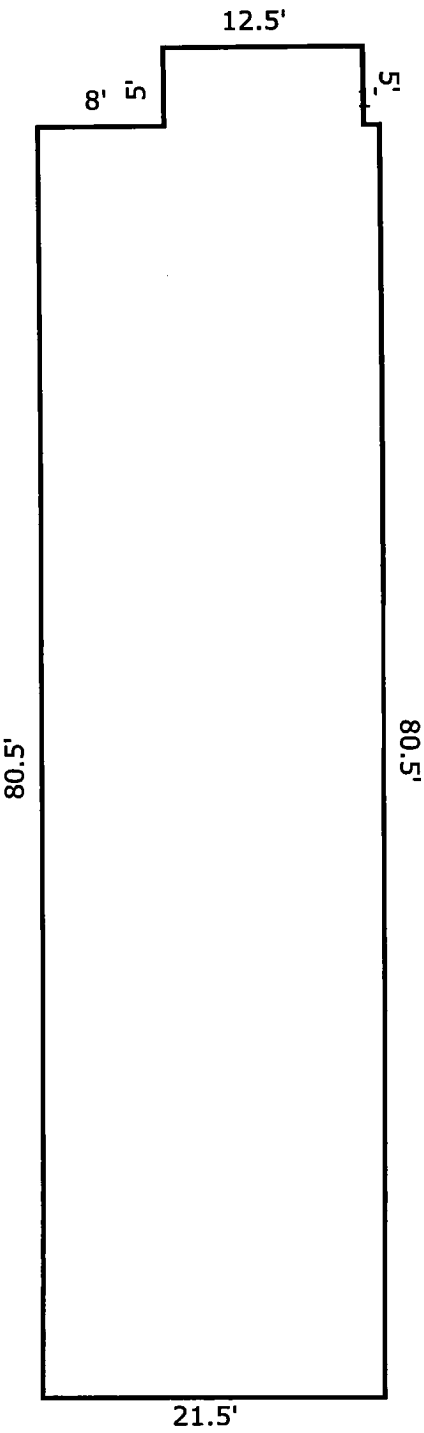
**NAME:** Unnamed  
**LOCATION:** 504 I Avenue, National City  
**THOMAS BROS. MAP PAGE:** 1027 F-2  
**IMPROVEMENT DESCRIPTION:** A two-story, wood frame and stucco apartment building with a sloping composition shingle roof. The building is 67 years old.  
**NO. OF UNITS:** 5  
**UNIT MIX:**

	1Br/1Ba	2Br/1Ba	4Br/1.5Ba
<b>NO.:</b>	3	1	1
<b>RENTAL RATES PER MO.:</b>	\$1,150	\$1,250	\$1,950
<b>UNIT SIZE (SF):</b>	600	800	1,200
<b>RENT/SF:</b>	\$1.92	\$1.56	\$1.63
<b>VACANCY BY UNIT TYPE:</b>	0	0	0

  
**OVERALL OCCUPANCY:** 100%  
**CONCESSIONS:** None  
**UTILITIES:** The landlord pays for gas, water, sewer and trash. The tenant pays for telephone, cable and electricity.  
**ON-SITE PARKING:** One open space per unit  
**UNIT AMENITIES:** All units have refrigerators, range/ovens and garbage disposals.  
**HVAC:** Central heat  
**COMPLEX AMENITIES:** Common laundry  
**SOURCE:** Property Manager

First Floor

Second Floor



TOTAL Sketch by a la mode, inc.

Area Calculations Summary

Living Area		Calculation Details
First Floor	1793.25 Sq ft	$12.5 \times 5 = 62.5$ $21.5 \times 80.5 = 1730.75$
Second Floor	1610 Sq ft	$80.5 \times 20 = 1610$
<b>Total Living Area (Rounded):</b>	<b>3403 Sq ft</b>	

## QUALIFICATIONS OF BRAD C. WOODALL, MAI

### GENERAL

Principal: Brad C. Woodall, MAI  
9922 Winecrest Road  
San Diego, CA 92127  
(858) 876-2510

### PROFESSIONAL EXPERIENCE

01/95 to present: Principal Appraiser - Brad C. Woodall, MAI  
08/92 to 12/94: Associate Appraiser - Alan M. Wilson & Associates  
09/88 to 07/92: Associate Appraiser -David J. Yerke, Inc. & Dennis B. Cunningham

### FORMAL EDUCATION AND SPECIAL TRAINING

1986-88: B.S. Degree  
San Diego State University  
School of Business Administration  
Major - Real Estate

1984-86: California Polytechnic University at San Luis Obispo

### APPRAISAL AFFILIATIONS

MAI member in the Appraisal Institute (No. 10577)  
Served on Appraisal Institute's San Diego Chapter Experience Review Committee  
State Certified General Appraiser (Certificate No. AG015729)

### PROPERTY TYPES APPRAISED

Commercial, residential, industrial, unimproved land and special purpose properties.

### SELECTED APPRAISAL INSTITUTE COURSES

Real Estate Appraisal Principals	Subdivision Valuation
Basic Valuation Procedures	Dynamics of Subdivision Appraising
Uniform Standards of Professional Practice	Applying Economic Forecasts
Capitalization Theory and Techniques (Part 1B-A)	Effective Appraisal Writing
Capitalization Theory and Techniques (Part 1B-B)	Appraising From Blueprints
Case Studies in Real Estate Valuation	Scope of Work
Report Writing and Valuation Analysis	Valuation of Unique Properties
Comprehensive Appraisal Workshop	Evaluating Commercial Construction
Highest and Best Use and Market Analysis	Business Practices and Ethics
New Technology for Real Estate Appraisers	Land Appraisal
Using HP 12C Financial Calculator	Introduction to Green Buildings
Allocating Components of Going Concern Appraisals	What Does It Cost to Operating That Building
Federal and California Statutory and Regulatory Laws	The Discounted Cash Flow Model
Residential Design & Functional Utility	Analyzing Distressed Real Estate
Real Estate Finance, Value and Investment Performance	

APPRAISAL ASSIGNMENTS HAVE BEEN PREPARED FOR THE FOLLOWING  
(Some in association with other appraisers)

LENDERS

Bank of America  
Bank of California  
Bank of Rancho Bernardo  
Bank of Salinas  
California Bank & Trust  
City National Bank  
First Bank & Trust  
First Citizens Bank  
First Fidelity Thrift & Loan  
First National Bank  
First National Bank of North County  
First Pacific National Bank  
General Bank  
HomeStreet Bank  
Imperial Thrift & Loan Association  
Indymac Bank  
JP Morgan Chase Bank  
Key Bank  
Manufacturers Bank  
Nippon Credit Bank  
San Dieguito National Bank  
San Diego County Credit Union  
Santa Barbara Bank & Trust  
Torrey Pines Bank  
Union Bank  
Wells Fargo Bank

GOVERNMENTAL AGENCIES

CalTrans  
City of Del Mar  
City of San Diego  
City of Vista  
County of San Diego  
FDIC  
Governmental Services Agency (GSA)

ATTORNEYS

Anderson, Goldberg & Waldron  
Gibson, Dunn & Crutcher  
Lincoln, Gustafson & Cercos  
Luce, Forward, Hamilton & Scripps

OTHERS

Atlantic Richfield Corporation  
Children's Comprehensive Services  
GMAC Mortgage  
Hawthorne Machinery  
Kaiser Permanente  
McMillin Companies  
Richmond American  
SDG&E



The following page(s) contain the backup material for Agenda Item: Resolution of the City Council of the City of National City approving an amendment to the Fiscal Year 2018 salary schedule for the Executive employee group to reflect the City Managers salary adjustment to \$18,656 per month, effective January 27, 2018 con

# CITY OF NATIONAL CITY, CALIFORNIA COUNCIL AGENDA STATEMENT

**MEETING DATE:** March 6, 2018

**AGENDA ITEM NO.** |

**ITEM TITLE:**

Resolution of the City Council of the City of National City approving an amendment to the Fiscal Year 2018 salary schedule for the Executive employee group to reflect the City Manager's salary adjustment to \$18,656 per month, effective January 27, 2018 consistent with the terms of her City Council approved employment contract.

**PREPARED BY:** Stacey Stevenson

**DEPARTMENT:** Human Resources

**PHONE:** 336-4308

**APPROVED BY:**



**EXPLANATION:**

On September 1, 2015, the City Council of the City of National City approved an amended and restated employment agreement between the City and the incumbent City Manager. The contract as amended, authorized a salary increase from \$17,496 per month to \$18,656 per month (\$223,872, annually) effective January 27, 2018. The purpose of this item is to seek City Council approval of an amended Executive employee group salary schedule for Fiscal Year 2018 reflecting the change in salary for the City Manager. The approval of the amended salary schedule is sought in compliance with current guidelines issued by the California Public Employees Retirement System (CalPERS).

**FINANCIAL STATEMENT:**

**APPROVED:**  **Finance**

**ACCOUNT NO.** |

**APPROVED:** \_\_\_\_\_ **MIS**

Funds were budgeted in 001-403-000-101-0000

**ENVIRONMENTAL REVIEW:**

This is not a project and is therefore not subject to environmental review.

**ORDINANCE:** **INTRODUCTION:** ☐ **FINAL ADOPTION:** ☐

**STAFF RECOMMENDATION:**

Adopt the resolution approving the amended Fiscal Year 2018 compensation plan for the Executive employee group.

**BOARD / COMMISSION RECOMMENDATION:**

N/A

**ATTACHMENTS:**

Executive Employee Group Salary Schedule  
Resolution

City of National City  
Human Resources Department

**EXECUTIVE POSITIONS**  
January 27, 2018

POSITION TITLE	SALARY BAND (MONTHLY)	SALARY BAND (ANNUAL)
City Manager	\$18,656 (Actual Salary)	\$223,872
City Attorney	\$16,666.67 (Actual Salary)	\$200,000
Assistant City Manager <sup>1</sup>	\$ 6,249.76 – \$ 16,041.67	\$ 74,997.12 – \$ 192,500.00
Assistant Police Chief	\$ 11,368.50 – \$ 15,000.00	\$ 136,422.00 – \$ 180,000.00
City Librarian	\$ 5,363.60 – \$ 11,472.86	\$ 64,363.20 – \$ 137,674.32
Community Development Executive Director <sup>1</sup>	\$ 7,288.00 – \$ 13,657.88	\$ 87,456.00 – \$ 163,894.56
Community Services Director	\$ 7,287.50 – \$ 10,687.91	\$ 87,450.00 – \$ 128,254.92
Deputy City Manager	\$ 6,249.76 – \$ 15,250.00	\$ 74,997.12 – \$ 183,000.00
Director of Administrative Services	\$ 5,643.44 – \$ 13,087.65	\$ 67,721.28 – \$ 157,051.80
Director of Building & Safety	\$ 5,561.82 – \$ 10,731.49	\$ 66,741.84 – \$ 128,777.88
Director of Community Development	\$ 5,643.44 – \$ 12,669.53	\$ 67,721.28 – \$ 152,034.36
Director of Emergency Services <sup>2</sup>	\$ 5,946.60 – \$ 13,250.55	\$ 71,359.20 – \$ 159,006.60
Director of Finance	\$ 5,643.44 – \$ 12,480.99	\$ 67,721.28 – \$ 149,771.88
Director of Housing & Economic Development	\$ 5,363.60 – \$ 11,472.86	\$ 64,363.20 – \$ 137,674.32
Director of Neighborhood Services	\$ 5,363.60 – \$ 11,472.86	\$ 64,363.20 – \$ 137,674.32
Director of Planning	\$ 5,643.44 – \$ 13,087.65	\$ 67,721.28 – \$ 157,051.80
Director of Public Works	\$ 5,643.44 – \$ 12,669.53	\$ 67,721.28 – \$ 152,034.36
Director of Public Works/City Engineer	\$ 5,643.44 – \$ 12,669.53	\$ 67,721.28 – \$ 152,034.36
Fire Chief	\$ 5,946.60 – \$ 13,250.55	\$ 71,359.20 – \$ 159,006.60
Human Resources Director	\$ 4,862.22 – \$ 12,501.50	\$ 58,346.64 – \$ 150,018.00
Police Chief <sup>3</sup>	\$ 6,541.26 – \$ 16,500.00	\$ 78,495.12 – \$ 198,000.00
Records Management Officer	\$ 5,462.71 – \$ 8,609.78	\$ 65,552.52 – \$ 103,317.36
Senior Assistant City Attorney	\$ 7,433.25 – \$ 13,575.03	\$ 89,199.00 – \$ 162,900.36

*Effective 01/27/18, Adjusted Salary of City Manager (per Resolution 2015-128, Employment Agreement)*

*Auto Allowance: \$300/month, w/exception of Police & Fire Chief who are assigned a City Vehicle, and City Manager & City Attorney. The Assistant City Manager receives \$400/month.*

<sup>1</sup> *If residing in National City, the Asst City Manager & CDC Executive Director receive a Housing Differential of \$15,000 per year (per Resolution 2009-100)*

<sup>2</sup> *Director of Emergency Services receives \$650 Uniform Allowance annually (per memo dated 08/02/12)*

<sup>3</sup> *Police Chief receives a 2% Bilingual Pay Differential & \$750 Uniform Allowance (per employment agreement of 03/22/13)*

The following page(s) contain the backup material for Agenda Item: 2017 Annual Progress Report on the implementation of the Housing Element of the General Plan pursuant to California Government Code Section 65400(a)(2). (Planning)

**CITY OF NATIONAL CITY, CALIFORNIA  
COUNCIL AGENDA STATEMENT**

**MEETING DATE:** March 6, 2018

**AGENDA ITEM NO. |**

**ITEM TITLE:**

2017 Annual Progress Report on the implementation of the Housing Element of the General Plan pursuant to California Government Code Section 65400(a)(2). (Planning)

**PREPARED BY:** Raymond Pe, Principal Planner

**DEPARTMENT:** Planning Division

**PHONE:** 336-4421

**APPROVED BY:** 

**EXPLANATION:**

California Government Code Section 65400 establishes the requirement that each general law city, county, and county planning agency prepare an annual report on the status of the housing element of its general plan and progress in its implementation. The report is due on April 1 for the previous calendar year and is submitted to the Department of Housing and Community Development and the Governor's Office of Planning and Research. The annual progress report fulfills state housing law requirements to report certain information, including the progress in meeting the City's share of the Regional Housing Needs Assessment (RHNA). Furthermore, submitting the report to the state ensures that the City is eligible for grants and other funding sources that are tied to the filing of the report. The report is also submitted to SANDAG to qualify for certain discretionary funds administered by that agency.

**FINANCIAL STATEMENT:**

**APPROVED:** \_\_\_\_\_ Finance

**ACCOUNT NO.** Not Applicable

**APPROVED:** \_\_\_\_\_ MIS

**ENVIRONMENTAL REVIEW:**

No further action is required under the California Environmental Quality Act since the action, as defined by CEQA, is not considered a project that has the potential to result in either a direct or indirect physical change in the environment.

**ORDINANCE:** INTRODUCTION: ☐

FINAL ADOPTION: ☐

**STAFF RECOMMENDATION:**

Accept and file the report.

**BOARD / COMMISSION RECOMMENDATION:**

Not Applicable

**ATTACHMENTS:**

1. Background Report.
2. Annual Progress Report.



## **BACKGROUND REPORT**

California Government Code Section 65400 establishes the requirement that each general law city, county, and county planning agency prepare an annual report on the status of the housing element of its general plan and progress in its implementation using forms and definitions adopted by the Department of Housing and Community Development (HCD). The report is due on April 1 for the previous calendar year and is submitted to HCD and the Governor's Office of Planning and Research (OPR).

Providing the report to HCD fulfills state housing law requirements to report certain information, including the progress in meeting the City's share of the Regional Housing Needs Assessment (RHNA). Furthermore, submitting the report to the state ensures that the City is eligible for grants and other funding sources that are tied to the filing of the report. The report is also submitted to SANDAG to qualify for certain discretionary funds administered by that agency. The report is submitted in a format in accordance with HCD reporting requirements as described below.

The report consists of five tables:

- Table A summarizes the annual building activity for very low-, low-, and mixed-income multifamily projects, based on new construction permits issued during the calendar year. This table includes moderate- and above moderate-income units when the units are part of a mixed-income project. Moderate- and above moderate-income units that are not part of a mixed-income project are reported in Table A3.
- Table A2 summarizes the annual building activity for lower-income units rehabilitated, preserved, and acquired during the calendar year pursuant to Government Code Section 65583.1(c)(1).
- Table A3 summarizes the annual building activity for moderate and above moderate-income units not included in Table A, based on new construction permits issued during the calendar year.
- Table B summarizes the City's progress in meeting its share of the Regional Housing Needs Allocation, based on permits issued during each calendar year.
- Table C summarizes the implementation status of General Plan Housing Element programs at the end of the calendar year.

Units are identified by affordability by household income as established by HCD's income limit charts. The household income categories are:

- Very low-income households (50% AMI)
- Low-income households (80% AMI)
- Moderate-income households (120% AMI) - when part of mixed-income project

- Above-moderate households (>120% AMI) - when part of mixed-income project

Unit types are categorized by one of the following codes:

- SF (single-family units)
- 2-4 (two to four unit structures)
- 5+ (five or more unit structure, multifamily)
- SU (second-unit)
- MH (mobile homes)

Units are identified as either proposed or planned at initial occupancy for either renter occupant (R) or owner occupant (O) where apparent at the time of project application.

**City of National City  
Housing Element Annual Progress Report  
January 1 – December 31  
2017**

The Annual Progress Report consists of the following tables in accordance with the California Department of Housing and Community Development reporting requirements.

**Table A – Annual Building Activity Report Summary  
Very Low-, Low-, and Mixed-Income Multifamily Projects  
New Construction Permits Issued**

**Table A2 – Annual Building Activity Report Summary  
Units Rehabilitated, Preserved, and Acquired  
Pursuant to Government Code Section 65583.1(c)(1)**

**Table A3 – Annual Building Activity Report Summary  
Moderate and Above Moderate-Income Units  
Not included in Table A  
New Construction Permits Issued**

**Table B – Regional Housing Needs Allocation Progress  
Permits Issued**

**Table C – Housing Element Program Implementation Status**



Table A  
Annual Building Activity Report Summary  
Very Low-, Low-, and Mixed-Income Multifamily Projects  
New Construction Permits Issued in 2017

Project APN, name, or address	Unit Category	R=Renter O=Owner	Affordability by Household Incomes (Units)				Total Units	Infill Units	Assistance Programs	Deed Restrictions	Affordable without assistance or restrictions (Attach explanation)
			Very Low- Income	Low- Income	Moderate -Income	Above Moderate -Income					
N/A											
N/A											
N/A											
N/A											
N/A											
N/A											
N/A											
N/A											
Total Moderate and Above Moderate from Table A3					116	7	123	123			
Total by income Table A/A3					116	7	123	123			
Total Extremely Low-Income (optional)											

Table A2  
Annual Building Activity Report Summary  
Units Rehabilitated, Preserved, and Acquired in 2017  
Pursuant to Government Code Section 65583.1(c)(1)

Activity Type	Affordability by Household Incomes				Document compliance with Government Code Section 65583.1(c)(1)
	Extremely Low-Income	Very Low- Income	Low-Income	TOTAL UNITS	
Rehabilitation					
Preservation of Units At-Risk		27	103	130	Tax-exempt bonds on Vista del Sol Apartments
Acquisition					
Total Units					

**Table A3**  
**Annual Building Activity Report Summary**  
**Moderate and Above Moderate-Income Units Not included in Table A**  
**New Construction Permits Issued in 2017**

Household Income	Single Family	2 - 4 Units	5+ Units	Second Unit	Mobile Homes	Total	Infill Units
Moderate-Income			116			116	116
Above Moderate-Income	7					7	7

**Table B**  
**Regional Housing Needs Allocation Progress**  
**Permits Issued by Year**

Calendar Year			2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total to Date	Remaining RHNA
Income Level		RHNA Allocation	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11		
Extremely Low and Very Low	Deed Restricted	465					53		45					98	367
	Non-Restricted														
Low	Deed Restricted	353	8											8	345
	Non-Restricted														
Moderate	Deed Restricted	327					55		46					101	110
	Non-Restricted									116				116	
Above Moderate		718	23	3	9	32	17	143	12	7				246	472
Total RHNA Allocation		1,863													
Total Permitted			31	3	9	32	125	143	103	123				569	
Total Remaining RHNA Need															1,294



**Table C**  
**Housing Element Program Implementation Status**

Program	Objective	Schedule	Status
1. Rental Rehabilitation Program.	Rehabilitate an average of 10 units per year.	Rehabilitate an average of ten units per year for a total of 80 units during the eight-year planning cycle.	130 rental units at Vista del Sol apartments rehabilitated during the calendar year and 138 to-date during the planning cycle.
2. Ownership Housing Rehabilitation Program.	Rehabilitate an average of five units per year.	Rehabilitate an average of five units per year for a total of 40 units during the eight-year planning cycle.	No single-family units rehabilitated during the calendar year and 11 to-date during the planning cycle.
3. Code Enforcement Program.	Abate an average of 250 cases per year.	Abate an average of 250 cases per year for a total of 2,000 cases during the eight-year planning cycle.	291 housing-related code violations were abated during the calendar year and over 1,291 to-date during the planning cycle.
4. Housing Inspection Program	Inspect an average of 128 units per year.	Inspect an average of 128 units per year for a total of 1,024 units during the eight-year planning cycle.	305 housing units were inspected during the calendar year and over 1,490 to-date during the planning cycle.
5. At-Risk Housing Program.	Conserve the affordability of 795 housing units at risk of converting to market rate.	Monitor status of at-risk units annually during the eight-year planning cycle.	No at-risk units converted to market rate during the calendar year. 130 units preserved at Vista del Sol apartments.
6. Housing Choice Voucher (Section 8) Rental Assistance Program.	Maintain 137 units of project-based housing and 1,022 tenant-based vouchers.	Monitor annually during the eight-year planning cycle.	Continued to maintain 137 project-based and 1,022 tenant-based vouchers.
7. Tenant Relocation Program.	Relocate any tenants displaced due to code enforcement.	Continue to offer the program during the eight-year planning cycle.	Three families were relocated during the calendar year and 11 to-date during the planning cycle.
8. Housing Stock Conditions Program.	Estimate of the number of dwelling units in need of repair or replacement.	Conduct survey annually during the eight-year planning cycle.	The last survey was conducted in 2010.
9. Clean-up Events Program.	Conduct an average of four events per year.	Conduct an average of four events annually for a total of 32 events during the eight-year planning cycle.	Four clean-up events during the calendar year and 12 to-date during the planning cycle.
10. Developer Information Program.	Update and maintain informational materials as policies, standards, guidelines, and ordinances are amended or adopted.	Update as policies, standards, guidelines, and ordinances are amended or adopted during the eight-year planning cycle.	Ongoing updates as policies are amended or adopted.
11. GIS Database Program.	Update database as new information becomes available in a compatible format.	Monitor data sources and update upon availability during the eight-year planning cycle.	Ongoing updates to database as needed and as available.

Program	Objective	Schedule	Status
12. Community Housing Development Organizations Program.	Identify and fund CHDOs to pursue affordable housing projects and programs.	Conduct outreach annually as part of the budget process and as funding sources become available during the eight-year planning cycle.	Continued to work with San Diego Habitat for Humanity, a certified CHDO, on an Acquisition, Rehabilitation, and Homeownership Program. Six units rehabilitated to-date during the planning cycle.
13. New Construction Program.	Production of housing units to meet the RHNA allocation.	Conduct outreach annually as part of the budget and CIP process and as funding sources become available during the eight-year planning cycle.	Permits for 123 units were issued during the calendar year.
14. Construction Assistance Program.	Development community awareness of available housing programs.	Conduct outreach annually as part of the budget and CIP process and as funding sources become available during the eight-year planning cycle.	Ongoing through the annual budget and CIP adoption process at public workshops and hearings.
15. Production Priorities Program.	Communicate housing policy objectives to prospective developers and encourage and facilitate projects that implement Housing Element policies.	Ongoing as part of the pre-application and consultation process during the eight-year planning cycle.	Ongoing outreach to communicate policy objectives to prospective developers.
16. Housing Element Annual Report.	Submit report to Department of Housing and Community Development prior to the statutory deadline.	Prepare and submit annually pursuant to statute during the eight-year planning cycle.	The annual progress report is prepared for each calendar year and submitted to HCD, OPR, and SANDAG.
17. Design Guidelines Program.	Improvement in the quality of design in construction through the implementation of design guidelines.	Ongoing as part of the pre-application and consultation process during the eight-year planning cycle.	Ongoing implementation during the project consultation and entitlement process.
18. Fair Housing Requirements Program.	Implement actions to address fair housing issues through CDBG and HOME activities.	Update AI in conjunction with Consolidated Plan updates and implement on ongoing basis during the eight-year planning cycle.	Addressed Impediments to Fair Housing through the implementation of the Fair Housing Action Plan as reported in the Consolidated Annual Performance and Evaluation Report to the U.S. Department of Housing and Urban Development.
19. Fair Housing Organizations.	Fair housing practices and informed housing consumers and suppliers.	Conduct outreach annually as part of the budget and CIP process and as funding sources become available during the eight-year planning cycle.	Ongoing fair housing services are provided by CSA San Diego County.
20. Fair Housing Training Program.	In new projects of 10 or more units, training of staff in fair housing administration.	Refer to contracted providers prior to occupancy of new projects during the eight-year planning cycle.	Ongoing fair housing services are provided by CSA San Diego County.

Program	Objective	Schedule	Status
21. State Energy Conservation Program.	Achieve State energy conservation standards for housing.	Conduct on an ongoing basis as part of the development review, permitting, and enforcement processes during the eight-year planning cycle.	Ongoing implementation during the project consultation and entitlement process.
22. Community Land Trust (CLT) Program.	Allow the establishment of community land trusts as needed.	Conduct outreach annually as part of the budget and CIP process and as funding sources become available during the eight-year planning cycle.	In 2013, the Housing Element was updated to allow community land trusts. No CLTs have been established during the planning cycle.
23. Extremely-Low Income Housing Program.	Production of 233 units of housing affordable to extremely-low income households.	Conduct outreach annually as part of the budget and CIP process and as funding sources become available during the eight-year planning cycle.	No extremely-low income units were produced during the calendar year and 12 to-date during the planning cycle.
24. Land Use Code Monitoring Program.	Implementation of the General Plan, including Housing Element policies.	Monitor and report annually as part of the General Plan Annual Progress Report during the eight-year planning cycle.	The annual progress report is prepared for each calendar year and submitted to HCD, OPR, and SANDAG.

\*The eight-year planning cycle is the housing element planning period established by state housing law from April 30, 2013 to April 30, 2021.

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